

# Exhibit A

**Commercial Lines Policy Declaration**

**Customer Number:** 0110398633

**Policy Number:** 1364094 09

**Policy Period:** 08/23/2019 to 08/23/2020

at 12:01 AM Standard Time at Your Mailing Address Shown Below

**Named Insured and Address:**

Paradigm Care & Enrichment Center, LLC  
1401 Malcolm Dr  
Waterford, MI 48327

**Agency Name and Address:**

DOEREN MAYHEW INSURANCE GROUP  
305 W BIG BEAVER RD., STE 102  
TROY, MI 48084  
248-290-0650

21987

In return for the payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.

This policy consists of the following coverage parts for which a premium is indicated. This premium may be subject to adjustment.

Coverage Part	Premium
Businessowners Property Coverage	\$7,510.00
Businessowners General Liability Coverage	\$2,650.00
Commercial Auto Coverage	\$310.00
Commercial Liability Umbrella Coverage	\$550.00
Total Premium:	\$11,020.00
Total Including Taxes, Fees and Surcharges:	\$11,020.00

**This is not a bill.** A billing invoice will be sent separately.

See attached schedule for forms applicable to all coverage parts.

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**Named Insured Schedule**

Paradigm Care & Enrichment Center, LLC

Paradigm Care & Enrichment Center 2, LLC

**Commercial Lines Policy Declarations**

**Customer Number:** 0110398633

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**Location Schedule**

Loc	Address	City	County	State	Zip
1	1401 Malcolm Dr	Waterford	Oakland	MI	48327
2	45050 Warren Rd	Canton	Wayne	MI	48187

### Commercial Lines Policy Declarations

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### Forms Schedule

Number	Edition	Description
WB214	0119	MEMBERSHIP AND VOTING NOTICE
IL0985Z	0115	DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT
BP0524X	0115	EXCLUSION OF CERTIFIED ACTS OF TERRORISM
NS0420	0414	NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (BROAD FORM)
WB660	0109	TWO OR MORE COVERAGE FORMS OR POLICIES ISSUED BY US
IL0286Z	0417	MICHIGAN CHANGES - CANCELLATION AND NONRENEWAL
BP0009X	0197	BUSINESSOWNERS COMMON POLICY CONDITIONS
BP0136X	0917	MICHIGAN CHANGES

# MEMBERSHIP AND VOTING NOTICE

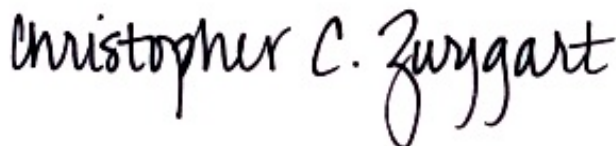
## MUTUALS – MEMBERSHIP AND VOTING NOTICE

The named insured is notified that by virtue of this policy, the named insured is a member of the West Bend Mutual Insurance Company of West Bend, Wisconsin and is entitled to vote either in person or by proxy at any and all meetings of said Company. The Annual Meetings are held in its Home Office, on the second Tuesday of March commencing in 2007 and each year thereafter, at 10:00 a.m.

## MUTUALS – PARTICIPATION CLAUSE WITH CONTINGENT LIABILITY

No Contingent Liability: This policy is nonassessable. The policyholder is a member of the company and shall participate, to the extent and upon the conditions fixed and determined by the Board of Directors in accordance with the provisions of law, in the distribution of dividends so fixed and determined.

In Witness Whereof, we have caused this policy to be executed and attested.



Christopher C. Zwygart  
Secretary



Kevin A. Steiner  
President and Chief Executive Officer

**West Bend Mutual Insurance Company**  
1900 S. 18th Avenue  
West Bend, WI 53095  
800-236-5010

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

## DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

### SCHEDULE

<b>SCHEDULE – PART I</b>	
<b>Terrorism Premium (Certified Acts) \$</b> <b>This premium is the total Certified Acts premium attributable to the following Coverage Part(s), Coverage Form(s) and/or Policy(ies):</b>	
If you have previously rejected coverage under this policy for Certified Acts of Terrorism under the Terrorism Risk Insurance Act, Coverage will remain excluded unless you request coverage within 30 days of the policy effective date.	
Additional information, if any, concerning the terrorism premium:	
<b>SCHEDULE – PART II</b>	
Federal share of terrorism losses 85% Year: 2015	Federal share of terrorism losses 84% Year: 2016
Federal share of terrorism losses 83% Year: 2017	Federal share of terrorism losses 82% Year: 2018
Federal share of terrorism losses 81% Year: 2019	Federal share of terrorism losses 80% Year: 2020
(Refer to Paragraph B. in this endorsement)	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

#### A. Disclosure Of Premium

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

**B. Disclosure Of Federal Participation In Payment Of Terrorism Losses**

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals a percentage (as shown in Part II of the Schedule of this endorsement or in the policy Declarations) of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

**C. Cap On Insurer Participation In Payment Of Terrorism Losses**

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION OF CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

### **SCHEDULE**

The <b>Exception Covering Certain Fire Losses</b> (Paragraph <b>B.2</b> ) applies to property located in the following state(s):
Illinois, Iowa, Missouri, Wisconsin
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**A.** The following provisions are added to the Businessowners Policy and apply to Property and Liability Coverages:

**1.** The following definition is added with respect to the provisions of this endorsement:

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

- a.** The act resulted in aggregate losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
- b.** The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

**2.** The terms and limitations of any terrorism exclusion, or the applicability or omission of a terrorism exclusion, do not serve to create coverage for loss or injury or damage that is otherwise excluded under this Policy.

**B.** The following provisions are added to Businessowners Standard Property Coverage Form **BP 00 01**, Businessowners Special Property Coverage Form **BP 00 02** and **NS 02 03** or **Section I – Property** of Businessowners Coverage Form **BP 00 03**:

**1.** The following exclusion is added:

#### **CERTIFIED ACT OF TERRORISM EXCLUSION**

We will not pay for loss or damage caused directly or indirectly by a "certified act of terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

**2. Exception Covering Certain Fire Losses**

The following exception to the exclusion in Paragraph **B.1.** applies only if indicated and as indicated in the Schedule of this endorsement.

If a "certified act of terrorism" results in fire, we will pay for the loss or damage caused by that fire. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense Additional Coverages.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

C. The following provision is added to the Businessowners Liability Coverage Form **BP 00 06**, **NS 02 02** or **Section II – Liability** of the Businessowners Coverage Form **BP 00 03**:

1. The following exclusion is added:

This insurance does not apply to:

**TERRORISM**

"Any injury or damage" arising, directly or indirectly, out of a "certified act of terrorism".

2. The following definition is added:

For the purposes of this endorsement, "any injury or damage" means any injury or damage covered under any Coverage Form to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage" or "personal and advertising injury" as may be defined in any applicable Coverage Form.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT**

**(Broad Form)**

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS POLICY  
COMMERCIAL AUTO COVERAGE PART**

**1. The insurance does not apply:**

**A. Under any Liability Coverage, to "bodily injury" or "property damage":**

**(1)** With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or

**(2)** Resulting from the "hazardous properties" of "nuclear material" and with respect to which **(a)** any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or **(b)** the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

**B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.**

**C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:**

**(1)** The "nuclear material" **(a)** is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or **(b)** has been discharged or dispersed therefrom;

**(2)** The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or

**(3)** The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion **(3)** applies only to "property damage" to such "nuclear facility" and any property thereat.

**2. As used in this endorsement:**

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "Special nuclear material" or "by-product material".

West Bend Mutual Insurance Company  
West Bend, Wisconsin 53095

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"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material **(a)** containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and **(b)** resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a)** Any "nuclear reactor";
- (b)** Any equipment or device designed or used for **(1)** separating the isotopes of uranium or plutonium, **(2)** processing or utilizing "spent fuel", or **(3)** handling, processing or packaging "waste";

- (c)** Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

- (d)** Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**TWO OR MORE COVERAGE FORMS OR POLICIES  
ISSUED BY US**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM  
GARAGE COVERAGE FORM  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
PRODUCT WITHDRAWAL COVERAGE FORM

If this Coverage Form and any other Coverage Form or policy issued to you by us or any company affiliated with us apply to the same "accident", the aggregate maximum Limit of Insurance under all the Coverage Forms or policies shall not exceed the highest applicable Limit of Insurance under any one Coverage Form or policy. This condition does not apply to any Coverage Form or policy issued by us or an affiliated company specifically to apply as excess insurance over this Coverage Form.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **MICHIGAN CHANGES – CANCELLATION AND NONRENEWAL**

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
EQUIPMENT BREAKDOWN COVERAGE PART  
FARM COVERAGE PART  
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**A. The **Cancellation** Common Policy Condition is amended as follows:**

**1. Paragraph 1. is replaced by the following:**

The first Named Insured shown in the Declarations may cancel this Policy by giving us or our authorized agent notice of cancellation.

**2. Paragraph 3. is replaced by the following:**

We will mail or deliver our notice to the first Named Insured's last mailing address known to us or our authorized agent.

**3. Paragraph 5. is replaced by the following:**

If this Policy is cancelled, we will send the first Named Insured any pro rata premium refund due. The minimum earned premium shall not be less than the pro rata premium for the expired time or \$25.00, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.

**B. The following condition is added and supersedes any other provision to the contrary:**

### **Nonrenewal**

If we decide not to renew this policy, we will mail or deliver to the first Named Insured's last mailing address known to us or our authorized agent written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing shall be sufficient proof of notice.

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West Bend, Wisconsin 53095

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# BUSINESSOWNERS COMMON POLICY CONDITIONS

All coverages of this policy are subject to the following conditions.

## A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. Five days before the effective date of cancellation if any one of the following conditions exists at any building that is Covered Property in this policy:
    - (1) The building has been vacant or unoccupied 60 or more consecutive days. This does not apply to:
      - (a) Seasonal unoccupancy; or
      - (b) Buildings in the course of construction, renovation or addition.  
Buildings with 65% or more of the rental units or floor area vacant or unoccupied are considered unoccupied under this provision.
    - (2) After damage by a Covered Cause of Loss, permanent repairs to the building:
      - (a) Have not started;
      - (b) Have not been contracted for; within 30 days of initial payment of loss.
    - (3) The building has:
      - (a) An outstanding order to vacate;
      - (b) An outstanding demolition order; or
      - (c) Been declared unsafe by governmental authority.
    - (4) Fixed and salvageable items have been or are being removed from the building and are not being replaced. This does not apply to such removal that is necessary or incidental to any renovation or remodeling.

## (5) Failure to:

- (a) Furnish necessary heat, water, sewer service or electricity for 30 consecutive days or more, except during a period of seasonal unoccupancy; or
  - (b) Pay property taxes that are owing and have been outstanding for more than one year following the date due, except that this provision will not apply where you are in a bona fide dispute with the taxing authority regarding payment of such taxes.
- b. 10 days before the effective date of cancellation if we cancel for nonpayment of premium.
  - c. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

## B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

West Bend Mutual Insurance Company  
West Bend, Wisconsin 53095

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### **C. Concealment, Misrepresentation Or Fraud**

This policy is void in any case of fraud by you as it relates to this policy at any time. It is also void if you or any other insured, at any time, intentionally conceals or misrepresents a material fact concerning:

1. This policy;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this policy.

### **D. Examination Of Your Books And Records**

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

### **E. Inspections And Surveys**

1. We have the right to:
  - a. Make inspections and surveys at any time;
  - b. Give you reports on the conditions we find; and
  - c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do not undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
  - a. Are safe or healthful; or
  - b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

### **F. Insurance Under Two Or More Coverages**

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

### **G. Liberalization**

If we adopt any revision that would broaden the coverage under this policy without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this policy.

### **H. Other Insurance**

1. If there is other insurance covering the same loss or damage, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.
2. Business Liability Coverage is excess over:
  - a. Any other insurance that insures for direct physical loss or damage; or
  - b. Any other primary insurance available to you covering liability for damages arising out of the premises or operations for which you have been added as an additional insured.
3. When this insurance is excess, we will have no duty under Business Liability Coverage to defend any claim or "suit" that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so; but we will be entitled to the insured's rights against all those other insurers.

### **I. Premiums**

1. The first Named Insured shown in the Declarations:
  - a. Is responsible for the payment of all premiums; and
  - b. Will be the payee for any return premiums we pay.
2. The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.
3. With our consent, you may continue this policy in force by paying a continuation premium for each successive one-year period. The premium must be:
  - a. Paid to us prior to the anniversary date; and



- b. Determined in accordance with Paragraph 2. above.

Our forms then in effect will apply. If you do not pay the continuation premium, this policy will expire on the first anniversary date that we have not received the premium.

- 4. Undeclared exposures or change in your business operation, acquisition or use of locations may occur during the policy period that are not shown in the Declarations. If so, we may require an additional premium. That premium will be determined in accordance with our rates and rules then in effect.

#### **J. Premium Audit**

- 1. This policy is subject to audit if a premium designated as an advance premium is shown in the Declarations. We will compute the final premium due when we determine your actual exposures.
- 2. Premium shown in this policy as advance premium is a deposit premium only. At the close of each audit period, we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit premiums is the same date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- 3. The first Named Insured must keep records of the information we need for premium computation and send us copies at such times as we may request.

#### **K. Transfer Of Rights Of Recovery Against Others To Us**

- 1. Applicable to Businessowners Property Coverage:

If any person or organization to or for whom we make payment under this policy has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

- a. Prior to a loss to your Covered Property.

- b. After a loss to your Covered Property only if, at time of loss, that party is one of the following:

- (1) Someone insured by this insurance;
- (2) A business firm:
  - (a) Owned or controlled by you; or
  - (b) That owns or controls you; or
- (3) Your tenant.

You may also accept the usual bills of lading or shipping receipts limiting the liability of carriers.

This will not restrict your insurance.

- 2. Applicable to Businessowners Liability Coverage:

If the insured has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them. This condition does not apply to Medical Expenses Coverage.

#### **L. Transfer Of Your Rights And Duties Under This Policy**

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual Named Insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **MICHIGAN CHANGES**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM  
BUSINESSOWNERS LIABILITY COVERAGE FORM  
BUSINESSOWNERS COMMON POLICY CONDITIONS

**A. Businessowners Special Property Coverage Form** is amended as follows:

1. Paragraph **E.2. Appraisal** Property Loss Condition is replaced by the following:

**2. Appraisal**

If we and you disagree on the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and independent appraiser. The two appraisers will select a competent and impartial umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

2. The following is added to Paragraph **E.4. Legal Action Against Us** Property Loss Condition:

The time for commencing an action against us is tolled from the time you notify us of the loss or damage until we formally deny liability for the claim.

3. The following is added to Paragraph **E.6. Loss Payment** Property Loss Condition and Paragraph **F.2. Mortgageholders** Property General Condition:

If a municipality has elected to apply the provisions of 1998 Michigan Public Act 217, a part of our payment for fire, explosion, vandalism, windstorm or hail, or riot or civil commotion loss or damage to your covered real property in that municipality will be withheld if the loss or damage is subject to the provisions of the Act. The withheld amount will be paid either to:

- (a) The municipality;
- (b) You and the mortgageholder, if any; or

- (c) With your consent, the licensed contractor hired by you to perform repair, replacement, or removal services on the lost or damaged real property;

according to the provisions of Public Act 217. We will notify you, any mortgageholder and the municipality of any loss subject to the provisions of Public Act 217.

If a municipality has elected to apply the provisions of MICH. COMP. LAWS § 500.3011, any further payment for claims for loss or damage to your covered property caused by fire or explosion of \$2,000 or more will be withheld if you have failed to submit a required report to the fire or law enforcement authority designated by the municipality.

**B. Businessowners Liability Coverage Form** is amended as follows:

1. Paragraph **A.1.d.(6) Coverage Extension – Supplementary Payments** is replaced by the following:

- (6) Prejudgment interest awarded against the insured on the part of the judgment we pay.

2. Paragraph **E.2. Duties In The Event Of Occurrence, Offense, Claim Or Suit** Liability And Medical Expenses General Condition is amended as follows:

- a. Paragraph **b.** is replaced by the following:

- b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and

- (2) Notify us as soon as practicable.

You must see to it that we receive notice of the claim or "suit" as soon as practicable.

Notice given by or on behalf of the insured to our authorized agent, with particulars sufficient to identify the insured, shall be considered notice to us.

West Bend Mutual Insurance Company  
West Bend, Wisconsin 53095

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b. Paragraph d. is replaced by the following:

d. Failure to:

- (1) Give us notice of an "occurrence", offense, claim or "suit" as soon as practicable; or
- (2) Immediately send us copies of demands, notices, summonses or legal papers received in connection with the claim or "suit";

shall not invalidate the claim made by you if it shall be shown that it was not reasonably possible to give us notice as soon as practicable or to immediately send us copies, and that you gave us notice and sent us copies as soon as was reasonably possible.

c. The following paragraph is added:

- e. No insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

**C. Businessowners Common Policy Conditions** is amended as follows:

Paragraphs **A.1.**, **A.2.**, **A.3.** and **A.5.** Cancellation are replaced by the following:

1. The first Named Insured shown in the Declarations may cancel this Policy by giving us or our authorized agent notice of cancellation.
2. We may cancel this Policy by mailing or delivering to the first Named Insured, with postage fully prepaid, written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us or our authorized agent.
5. If this Policy is cancelled, we will send the first Named Insured any pro rata premium refund due. The minimum earned premium shall not be less than the pro rata premium for the expired time or \$25.00, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.

**Businessowners Property Coverage Declarations**

**Customer Number:** 0110398633

**Policy Number:** 1364094 09

**Policy Period:** 08/23/2019 to 08/23/2020

at 12:01 AM Standard Time at Your Mailing Address Shown Below

**Named Insured and Address:**

Paradigm Care & Enrichment Center, LLC  
1401 Malcolm Dr  
Waterford, MI 48327

**Agency Name and Address:**

DOEREN MAYHEW INSURANCE GROUP  
305 W BIG BEAVER RD., STE 102  
TROY, MI 48084  
248-290-0650

21987

**Description of Location or Premises**

Loc	Bldg	Building and Occupancy Description	Construction	Protection Class
1	1	Building #1 - Childcare [1052] Childcare	Joisted Masonry	03
2	1	Building #1 - Childcare [1052] Childcare	Joisted Masonry	05

### Businessowners Property Coverage Declarations

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248-290-0650

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### Businessowners Property Coverage Schedule

Loc	Bldg	Type	Limit of Insurance	Premium
1	1	Building	\$2,508,100	\$4,017
		Replacement Cost		
		Inflation Guard – 4%		
		Deductible – \$1,000		

Loc	Bldg	Type	Limit of Insurance	Premium
1	1	Business Personal Property	\$237,400	\$780
		Replacement Cost		
		Inflation Guard – 2%		
		Deductible – \$1,000		

Loc	Bldg	Type	Limit of Insurance	Premium
2	1	Building	\$1,022,400	\$1,783
		Replacement Cost		
		Inflation Guard – 4%		
		Deductible – \$1,000		

Loc	Bldg	Type	Limit of Insurance	Premium
2	1	Business Personal Property	\$86,900	\$445
		Replacement Cost		
		Inflation Guard – 2%		
		Deductible – \$1,000		

See attached Forms Schedule for forms and endorsements applicable to this coverage.

**Businessowners Property Endorsements and Miscellaneous Premiums**

**Customer Number:** 0110398633

**Policy Number:** 1364094 09

**Policy Period:** 08/23/2019 to 08/23/2020

at 12:01 AM Standard Time at Your Mailing Address Shown Below

**Named Insured and Address:**

Paradigm Care & Enrichment Center, LLC  
1401 Malcolm Dr  
Waterford, MI 48327

**Agency Name and Address:**

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**Endorsements – Applicable to All Locations**

Description	Limit	Form Number	Premium
Equipment Breakdown		WB80CF	\$485

**Miscellaneous Premiums**

Description	Form Number	Premium
Terrorism Risk Insurance Act		\$0
Terrorism Risk Insurance Act (Fire Only)		\$0

Total Businessowners Property Premium: \$7,510

See attached Forms Schedule for forms and endorsements applicable to this coverage.

**Businessowners Property Additional Interest Schedule**

**Customer Number:** 0110398633

**Policy Number:** 1364094 09

**Policy Period:** 08/23/2019 to 08/23/2020

at 12:01 AM Standard Time at Your Mailing Address Shown Below

**Named Insured and Address:**

Paradigm Care & Enrichment Center, LLC  
1401 Malcolm Dr  
Waterford, MI 48327

**Agency Name and Address:**

DOEREN MAYHEW INSURANCE GROUP  
305 W BIG BEAVER RD., STE 102  
TROY, MI 48084  
248-290-0650

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**Additional Interest Schedule**

Loc	Name and Address	Reference/Loan Number	Interest
1	Clarkston State Bank PO Box 249 Clarkston, MI 48347		Mortgageholder
1	Comerica Bank ISAOA		Mortgageholder
2	PO Box 863299 Plano, TX 75086		
1	Oakland County Business Finance & US Small Business Administration 2100 Pontiac Lake Rd Waterford, MI 48328-2762		Mortgageholder

**Businessowners Property Forms Schedule**

**Customer Number:** 0110398633

**Policy Number:** 1364094 09

**Policy Period:** 08/23/2019 to 08/23/2020

at 12:01 AM Standard Time at Your Mailing Address Shown Below

**Named Insured and Address:**

Paradigm Care & Enrichment Center, LLC  
1401 Malcolm Dr  
Waterford, MI 48327

**Agency Name and Address:**

DOEREN MAYHEW INSURANCE GROUP  
305 W BIG BEAVER RD., STE 102  
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248-290-0650

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**Forms Schedule**

Number	Edition	Description
NS0203	0118	BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM
WB80CF	0118	EQUIPMENT BREAKDOWN COVERAGE ENDORSEMENT
WB77CF	0414	ADDITIONAL INSURED ENDORSEMENT
WB2583CF	0414	ADDITIONAL INTEREST NAME EXTENSION
BP1203Z	0689	LOSS PAYABLE PROVISIONS



# BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this Coverage Form the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section **G. Definitions**.

## A. Coverage

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

### 1. Covered Property

Covered Property, includes Buildings as described under Paragraph **a.** below, Business Personal Property as described under Paragraph **b.** below, or both, depending on whether a Limit of Insurance is shown in the Declarations for that type of property. Regardless of whether coverage is shown in the Declarations for Buildings, Business Personal Property, or both, there is no coverage for property described under Paragraph **2. Property Not Covered**.

**a.** Buildings, meaning the buildings and structures at the premises described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
  - (a) Outdoor fences;
  - (b) Outdoor signs attached to buildings;
  - (c) Machinery; and
  - (d) Equipment;
- (4) Your personal property in apartments, rooms or common areas furnished by you as landlord;
- (5) Personal property owned by you that is used to maintain or service the buildings or structures or the premises, including:
  - (a) Fire extinguishing equipment;
  - (b) Outdoor furniture;
  - (c) Floor coverings; and

(d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering; and

(6) If not covered by other insurance:

(a) Additions under construction, alterations and repairs to the buildings or structures;

(b) Materials, equipment, supplies and temporary structures, on or within 1,000 feet of the described premises, used for making additions, alterations or repairs to the buildings or structures.

**b.** Business Personal Property located in or on the buildings or structures at the described premises or in the open (or in a vehicle) within 1,000 feet of the buildings or structures or within 1000 feet of the premises described in the Declarations, whichever distance is greater, including:

(1) Property you own that is used in your business;

(2) Property of others that is in your care, custody or control, except as otherwise provided in Loss Payment Property Loss Condition **E.6.d.(3)(b)**;

(3) Tenant's improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:

(a) Made a part of the building or structure you occupy but do not own; and

(b) You acquired or made at your expense but cannot legally remove;

(4) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Paragraph **A.1.b.(2)**; and

(5) Exterior building glass, if you are a tenant and no Limit Of Insurance is shown in the Declarations for Building property. The glass must be owned by you or in your care, custody or control;

(6) Outdoor fences; and

(7) Outdoor signs permanently attached to a building

## 2. Property Not Covered

Covered Property does not include:

- a. Aircraft, automobiles, motortrucks and other vehicles subject to motor vehicle registration;
- b. "Money" or "securities" except as provided in the:
  - (1) Money And Securities Coverage Extension; or
  - (2) Employee Dishonesty Coverage Extension;
- c. Contraband, or property in the course of illegal transportation or trade;
- d. Land (including land on which the property is located), water, growing crops or lawns (other than lawns which are part of a vegetated roof);
- e. Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants (other than trees, shrubs or plants which are part of a vegetated roof), all except as provided in the:
  - (1) Outdoor Property Coverage Extension; or
  - (2) Outdoor Signs Coverage Extension;
- f. Watercraft (including motors, equipment and accessories) while afloat.
- g. "Computer(s)" which are permanently installed or designed to be permanently installed in any aircraft, watercraft, motortruck or other vehicle subject to motor vehicle registration. This paragraph does not apply to "computer(s)" while held as "stock".
- h. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings.
- i. Any apparatus used for medical, surgical, chiropractic, pharmaceutical, dental, x-ray, or nursing services or treatments, or cryotherapy;
- j. Any apparatus using lasers, radiology, or "intense pulse light."
- k. Any apparatus providing cryotherapy or similar supercooling treatments.

## 3. Covered Causes Of Loss

Direct physical loss unless the loss is excluded or limited.

## 4. Limitations

a. We will not pay for loss of or damage to:

- (1) Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass;
- (2) Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion;
- (3) Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property. This limitation does not apply to the coverage for Money and Securities;
- (4) Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions; and
- (5) The interior of any building or structure or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
  - (a) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
  - (b) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.
- (6) Lawns, trees, shrubs or plants which are part of a vegetated roof, caused by or resulting from:
  - (a) Dampness or dryness of atmosphere or of soil supporting the vegetation;
  - (b) Changes in or extremes of temperature;
  - (c) Disease;
  - (d) Frost or hail; or
  - (e) Rain, snow, ice or sleet.

b. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:

- (1) Animals, and then only if they are killed or their destruction is made necessary.
- (2) Fragile articles such as glassware, statuary, marble, chinaware and porcelain, if broken. This restriction does not apply to:
  - (a) Glass that is part of the exterior or interior of a building or structure;
  - (b) Containers of property held for sale; or
  - (c) Photographic or scientific instrument lenses.

c. For loss or damage by theft, the following types of property are covered only up to the limits shown:

- (1) \$2,500 for furs, fur garments and garments trimmed with fur;
- (2) \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item; and
- (3) \$2,500 for patterns, dies, molds and forms.

## 5. Additional Coverages and Coverage Extensions

### a. Additional Coverages

In addition to the Limits Of Insurance, you may extend the insurance provided by this policy to the Additional Coverages.

### b. Coverage Extensions

Except as otherwise provided, Coverage Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 1,000 feet of the described premises, unless a higher Limit Of Insurance is shown in the Declarations.

Unless otherwise indicated, the limits of insurance provided by these Additional Coverages and Coverage Extensions are in addition to **Section C. Limits Of Insurance**.

### a. Accounts Receivable

- (1) You may extend the insurance that applies to Business Personal Property to apply to accounts receivable. We will pay:

- (a) All amounts due from your customers and that you are unable to collect;
- (b) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
- (c) Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and
- (d) Other reasonable expenses that you incur to re-establish your records of accounts receivable;

that result from direct physical loss or damage by any Covered Cause of Loss to your records of accounts receivable.

- (2) The most we will pay under this Coverage Extension for loss or damage in any one occurrence at the described premises is \$250,000.

For accounts receivable not at the described premises, the most we will pay is \$2,500.

- (3) **Section B. Exclusions** does not apply to this Coverage Extension except for:

- (a) Paragraph **B.1.b.**, Governmental Action;
- (b) Paragraph **B.1.c.**, Nuclear Hazard;
- (c) Paragraph **B.1.e.**, War And Military Action;
- (d) Paragraph **B.2.c.**, Dishonesty;
- (e) Paragraph **B.2.f.**, False Pretense;
- (f) Paragraph **B.3.**; and
- (g) Paragraph **B.5.**, Accounts Receivable Exclusions.

**Section D. Deductibles** applies to this Coverage Extension.

## **b. Business Income**

### **(1) Business Income**

- (a) We will pay for the actual loss of Business Income you sustain due to the necessary suspension of your "operations" during the "period of restoration". The suspension must be caused by direct physical loss of or damage to property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 1,000 feet of such premises.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of a building, your premises means:

- i. The portion of the building which you rent, lease or occupy;
  - ii. The area within 1,000 feet of the building or within 1,000 feet of the premises described in the Declarations, whichever distance is greater (with respect to loss of or damage to personal property in the open or personal property in a vehicle); and
  - iii. Any area within the building or at the described premises, if that area services, or is used to gain access to, the portion of the building which you rent, lease or occupy.
- (b) We will only pay for loss of Business Income that you sustain during the "period of restoration" and that occurs within 12 consecutive months after the date of direct physical loss or damage.
- (c) Business Income means the:

- i. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
- ii. Continuing normal operating expenses incurred, including payroll; and
- iii. Tuition and fees.

### **(2) Extended Business Income**

- (a) If the necessary suspension of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:
- i. Begins on the date property except finished stock is actually repaired, rebuilt or replaced and "operations" are resumed; and
  - ii. Ends on the earlier of:
    - (i) The date you could restore your "operations", with reasonable speed, to the level which would generate the Business Income amount that would have existed if no direct physical loss or damage had occurred; or
    - (ii) 180 consecutive days after the date determined in Paragraph (i) above.

However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

### **(3) Business Income From Dependent Properties**

- (a)** We will pay for the actual loss of Business Income you sustain due to physical loss or damage at the premises of a dependent property or secondary dependent property caused by or resulting from any Covered Cause of Loss.

However, this Additional Coverage does not apply when the only loss at the premises of a dependent property is loss or damage to "electronic data", including destruction or corruption of "electronic data". If the dependent property or secondary dependent property sustains loss or damage to "electronic data" and other property, coverage under this Additional Coverage will not continue once the other property is repaired, rebuilt or replaced.

The most we will pay under this Additional Coverage is \$5,000.

- (b)** We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume "operations", in whole or in part, by using any other available:
- i. Source of materials; or
  - ii. Outlet for your products.
- (c)** If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.
- (d)** Dependent property means property owned by others whom you depend on to:
- i. Deliver materials or services to you, or to others for your account. But series does not mean water supply services, wastewater removal services, communication supply services or power supply services;
  - ii. Accept your products or services;
  - iii. Manufacture your products for delivery to your customers under contract for sale; or
  - iv. Attract customers to your business.

The dependent property must be located in the coverage territory of this policy.

- (e)** Secondary dependent property means an entity which is not owned or operated by a dependent property and which:
- i. Delivers materials or services to a dependent property, which in turn are used by the dependent property in providing materials or services to you; or
  - ii. Accepts materials or services from a dependent property which in turn accept your materials or services.

A road, bridge, tunnel, waterway, airfield, pipeline or any other similar area or structure is not a secondary dependent property.

Any property which delivers any of the following services is not a secondary dependent property with respect to such services.

- i. Water supply services;
- ii. Wastewater removal services;
- iii. Communication supply services;
- iv. Power supply services.

The secondary dependent property must be located in the coverage territory of this policy.

- (f)** The coverage period for Business Income under this Additional Coverage:
- i. Begins immediately after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises of the dependent property or secondary dependent property; and
  - ii. Ends on the date when the property at the premises of the dependent property or secondary dependent property should be repaired, rebuilt or replaced with reasonable speed and similar quality.



(g) The Business Income coverage period as stated in Paragraph (f) does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:

- i. Regulates the construction, use or repair, or requires the tearing down of any property; or
- ii. Requires an insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not reduce the Business Income coverage period.

(h) The definition of Business Income contained in the Business Income Additional Coverage also applies to this Business Income From Dependent Properties Additional Coverage.

**c. Business Travel Accidental Death Benefit**

We will pay a Business Travel Accidental Death Benefit for any expenses incurred by the Named Insured if a "Director" or Officer suffers an injury resulting in death or loss of limbs, sight, speech or hearing as described in Paragraph (2) below, while traveling on a common carrier for business purposes during the policy.

- (1) There will be no coverage if the cause of the injury that resulted in loss was:
  - (a) an intentional act by the insured;
  - (b) an act of suicide or attempted suicide, whether or not the deceased was sane or insane at the time of the attempted suicide;
  - (c) an act of war;
  - (d) a disease process.
- (2) For the purpose of this additional coverage, we will pay the Business Travel Accident Benefit amount if the injury resulted in:
  - (a) Physical damage to the body caused by violence, fracture, or an accident during the policy term that results in loss of life no later than 180 days after the policy expiration, the date of cancellation or the date of non-renewal;

(b) Accidental loss of limbs or multiple fingers;

(c) Total loss of sight, speech or hearing.

The limit of insurance provided for this coverage is \$50,000 per policy period

Section **D. Deductibles** does not apply to this Additional Coverage.

**d. Change in Temperature or Humidity**

We will pay for loss or damage to Covered Property as a result of change in temperature or humidity due to direct physical damage to building or equipment, only while such equipment is at the described premises. The damage to the building or equipment must have been caused by a Covered Cause of Loss.

The most we will pay for loss or damage under this Coverage Extension is \$50,000 at each described premises for Covered Property other than Electronic Data Processing Equipment and Software Coverage and Fine Arts coverage afforded by the applicable Coverage Extension.

Business Income or Extra Expense does not apply to this Coverage Extension.

The limit of insurance provided under this Coverage reduces the Limit Of Insurance shown in the Declarations.

Section **D. Deductibles** applies to this Coverage Extension.

**e. Civil Authority**

When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises provided that both of the following apply:

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and
- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority Coverage for necessary Business Income and Extra Expense will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

The definitions of Business Income and Extra Expense contained in the Business Income and Extra Expense Additional Coverages also apply to this Civil Authority Additional Coverage. The Civil Authority Additional Coverage is not subject to the Limits of Insurance.

Section **D. Deductibles** does not apply to this Additional Coverage.

**f. Collapse**

The coverage provided under this Additional Coverage – Collapse applies only to an abrupt collapse as described and limited in Paragraphs **f.(1)** through **f.(7)**.

- (1)** For the purpose of this Additional Coverage – Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.
- (2)** We will pay for direct physical loss or damage to Covered Property, caused by an abrupt collapse of a building or any part of a building insured under this policy or that contains Covered Property insured under this policy, if such collapse is caused by one or more of the following:
  - (a)** Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
  - (b)** Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
  - (c)** Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation; or

- (d)** Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:
  - i.** A cause of loss listed in Paragraph **(2)(a)** or **(2)(b)**;
  - ii.** One or more of the "specified causes of loss";
  - iii.** Breakage of building glass;
  - iv.** Weight of people or personal property; or
  - v.** Weight of rain that collects on a roof.

- (3)** This Additional Coverage – Collapse does **not** apply to:

- (a)** A building or any part of a building that is in danger of falling down or caving in;
- (b)** A part of the building that is standing, even if it has separated from another part of the building; or
- (c)** A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

- (4)** With respect to the following property:

- (a)** Awnings;
- (b)** Gutters and downspouts;
- (c)** Yard fixtures;
- (d)** Outdoor swimming pools;
- (e)** Piers, wharves and docks;
- (f)** Beach or diving platforms or appurtenances;
- (g)** Retaining walls; and
- (h)** Walks, roadways and other paved surfaces;

if an abrupt collapse is caused by a cause of loss listed in Paragraphs **(2)(a)** through **(2)(f)**, we will pay for loss or damage to that property only if such loss or damage is a direct result of the abrupt collapse of a building insured under this policy and the property is Covered Property under this policy.

(5) If personal property abruptly falls down or caves in such collapse is not the result of abrupt collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:

- (a) The collapse of personal property was caused by a cause of loss listed in Paragraphs (2)(a) through (2)(d) of this Additional Coverage;
- (b) The personal property which collapses is inside a building; and
- (c) The property which collapses is not of a kind listed in Paragraph (4), regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph (5) does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

- (6) This Additional Coverage – Collapse does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- (7) The Additional Coverage – Collapse will not increase the Limits of Insurance provided in this policy.
- (8) The term Covered Cause of Loss includes the Additional Coverage – Collapse as described and limited in Paragraphs f.(1) through f.(7).

Section D. Deductibles applies to this Additional Coverage.

**g. Communicable Disease Business Income and Extra Expense Coverage**

You may extend this insurance to apply to the actual loss of Business Income or Extra Expense that you sustain as the result of your "operations" being temporarily shut down or suspended as ordered by a local, state, or federal board of health or similar governmental board that has jurisdiction over your "operations". The shutdown or suspension must be due to an outbreak of a "communicable disease" or a "water-borne pathogen" at the insured premises as described in the Declarations.

We will pay any loss of Business Income or any necessary Extra Expense costs (other than the expense to repair or replace property) you incur arising from the shutdown or suspension of your "operations", including but not limited to:

- (1) The cost of cleaning your equipment or disinfecting the insured premises in accordance with the jurisdictional board's requirements;
- (2) The cost of replacing consumable goods declared by the jurisdictional board to be contaminated;
- (3) The cost of testing the insured premises to confirm the elimination of the "communicable disease" or "water-borne pathogen";
- (4) The cost of necessary medical tests, doctor's care, hospitalization, blood work or vaccines for infected persons as required by the jurisdictional board;
- (5) The extra advertising costs to restore your business reputation;
- (6) The cost to evacuate the insured premises;
- (7) To avoid or minimize the suspension of business and to continue "operations" at the described premises or at replacement or temporary locations, including relocation expenses and costs to equip and operate the replacement or temporary locations; and
- (8) To minimize the suspension of your "operations" if you cannot continue your "operations".

The most we will pay under this Additional Coverage for loss in any one occurrence is \$50,000. The most we will pay for all losses in a policy period is \$100,000.

The coverage for Business Income and Extra Expense will begin 24 hours after the jurisdictional board shuts down or suspends your "operations" and will end within 30 days after the jurisdictional body certifies that the described premises are habitable and that you may fully or partially resume your "operations".

**h. Computer Fraud Coverage**

- (1) We will pay for loss or damage to "money", "securities" and "other property" resulting directly from "computer fraud".
- (2) Exclusions – We will not pay for:



- (a) Loss resulting from "theft" or any other dishonest act committed by any of your employees, "managers", "directors", trustees or authorized representatives:

- i. Whether acting alone or in collusion with other persons; or
- ii. While performing services for you or otherwise.

- (b) Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

- i. An inventory computation; or
- ii. A profit and loss computation.

However, where you establish wholly apart from such computations that you have sustained a loss, then you may offer your inventory records and actual physical count of inventory in support of the amount of loss claimed.

- (3) After you discover a loss or a situation that may result in loss of or damage to "money", "securities" or "other property", you must notify us as soon as possible. If you have reason to believe that any loss involves a violation of law, you must also notify the local law enforcement authorities.

- (4) All loss:

- (a) Caused by one or more persons; or
- (b) Involving a single act or series of related acts;

is considered one occurrence.

The limit of insurance provided by this coverage is \$5,000 per policy period. The limit of insurance provided under this Additional Coverage is in addition to Section **C. Limits Of Insurance**. Section **D. Deductibles** applies to this Additional Coverage.

**i. Conference Cancellation**

We will reimburse the insured for any business-related expenses, paid by the insured and not otherwise reimbursed, for a canceled conference that an employee was scheduled to attend.

With respect to this coverage:

- (1) The insured's employee must have registered for the conference at least 30 days prior to the cancellation; and

- (2) The cancellation must be ordered by a local, state or federal Board of Health or other governmental authority having jurisdiction over the location of the conference.

The limit of insurance for this Additional Coverage is \$25,000 per policy period.

Section **D. Deductibles** does not apply to this Additional Coverage.

**j. Debris Removal**

- (1) Subject to Paragraphs (2), (3) and (4) we will pay your expense to remove debris of Covered Property and other debris that is on the described premises, when such debris is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.

- (2) Debris Removal does not apply to costs to:

- (a) Remove debris of property of yours that is not insured under this policy, or property in your possession that is not Covered Property; the date of direct physical loss or damage; or
- (b) Remove debris of property owned by or leased to the landlord of the building where your described premises are located, unless you have a contractual responsibility to insure such property and it is insured under this policy;
- (c) Remove any property that is Property Not Covered, including property addressed under the Outdoor Property Coverage Extension;
- (d) Remove property of others of a type that would not be Covered Property under this policy;
- (e) Remove deposits of mud or earth from the grounds of the described premises;
- (f) Extract "pollutants" from land or water; or
- (g) Remove, restore or replace polluted land or water.

- (3) Subject to the exceptions in Paragraph (4), the most we will pay for the total of direct physical loss or damage plus debris removal expense applicable to the Covered Property that has sustained loss or damage under this Additional Coverage is \$25,000 at each described premises.
- (4) We will pay up to an additional \$10,000 for debris removal expense, for each location in any one occurrence of physical loss or damage to Covered Property if the total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds \$25,000 under the Debris Removal Additional Coverage.

Section **D. Deductibles** applies to this Additional Coverage.

**k. Donation Assurance**

We will reimburse you for "Failed Donation Claim(s)".

- (1) With respect to any "Failed Donation Claim":
  - (a) The donor must never have been in bankruptcy, nor have filed for bankruptcy/reorganization prior to the time said pledge was made to the insured;
  - (b) For non-cash donations, payment will be based on the fair market value of said non-cash donation at the time of the "Failed Donation Claim;"
  - (c) In the case of unemployment/incapacitation of a donor and as a condition of payment of the "Failed Donation Claim;"
    - i. neither you nor the donor shall have had reason to believe the donor would become unemployed or incapacitated subsequent to the donation date and;
    - ii. the donor shall be unemployed for at least 60 days prior to us making payment;
  - (d) no coverage shall be afforded for a written pledge of funds or other measurable tangible property to you dated prior to the policy period;
  - (e) a donation amount which is to be collected over more than a 12 month period shall be deemed a single donation.

The limit for this Additional Coverage is \$50,000 per policy period.

Section **D. Deductibles** does not apply to this Additional Coverage.

**l. Emergency Real Estate Consulting Fee**

We will reimburse you for any realtor's fee or real estate consultant's fee you incur resulting from your need to relocate due to the "Unforeseeable destruction" of your principal location as shown on the declarations.

The limit for this Additional Coverage is \$50,000 per policy period.

Section **D. Deductibles** does not apply to this Additional Coverage.

**m. Employee Dishonesty**

- (1) We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from theft committed by an "employee", whether identified or not, acting alone or in collusion with other persons.

For the purposes of this coverage "theft" shall also include forgery.

- (2) We will not pay for loss or damage:
  - (a) Resulting from any dishonest or criminal act that you or any of your partners or "members" commit whether acting alone or in collusion with other persons.
  - (b) Resulting from any dishonest act committed by any of your employees (except as provided in Paragraph (1)), "managers" or directors:
    - i. Whether acting alone or in collusion with other persons; or
    - ii. While performing services for you or otherwise.
  - (c) The only proof of which as to its existence or amount is:
    - i. An inventory computation; or
    - ii. A profit and loss computation.
  - (d) Caused by an employee if the employee had also committed theft or any other dishonest act prior to the effective date of this policy and you or any of your partners "members", "managers", officers, directors or trustees, not in collusion with the employee learned of that theft or dishonest act prior to the policy period shown in the Declarations.
- (3) All loss or damage:
  - (a) Caused by one or more persons; or

- (b) Involving a single act or series of related acts;  
is considered one occurrence.
- (4) If any loss is covered:
  - (a) Partly by this insurance; and
  - (b) Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest;

the most we will pay is the larger of the amount recoverable under this insurance or the prior insurance.
- (5) We will pay only for loss or damage you sustain through acts committed or events occurring during the policy period. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.
- (6) This Coverage Extension is cancelled as to any employee immediately upon discovery by:
  - (a) You; or
  - (b) Any of your partners, "members", "managers", officers or "directors" not in collusion with the employee;

of any dishonest act committed by that employee before or after being hired by you.
- (7) We will pay only for covered loss or damage sustained during the policy period and discovered no later than one year from the end of the policy period.
- (8) If you (or any predecessor in interest) sustained loss or damage during the period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Coverage Extension, provided:
  - (a) This Coverage Extension became effective at the time of cancellation or termination of the prior insurance; and
  - (b) The loss or damage would have been covered by this Coverage Extension had it been in effect when the acts or events causing the loss or damage were committed or occurred.

- (9) The insurance under Paragraph 7. above is limited to the lesser of the amount recoverable under:
  - (a) This Coverage Extension as of its effective date; or
  - (b) The prior insurance had it remained in effect.
- (10) The most we will pay for loss or damage in any one occurrence under this Coverage Extension is \$5,000 plus the employee dishonesty limit shown in the Declarations.

Section **D. Deductibles** applies to this Coverage Extension.

**n. Extra Expense**

- (1) We will pay necessary Extra Expense you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 1,000 feet of such premises.
- With respect to the requirements set forth in the preceding paragraph, if you occupy only part of a building, your premises means:
- (a) The portion of the building which you rent, lease or occupy;
  - (b) The area within 1000 feet of the building or within 1000 feet of the premises described in the Declarations, whichever distance is greater (with respect to loss of or damage to personal property in the open or personal property in a vehicle); and
  - (c) Any area within the building or at the described premises, if that area services, or is used to gain access to, the portion of the building which you rent, lease or occupy.
- (2) Extra Expense means expense incurred:
    - (a) To avoid or minimize the suspension of business and to continue "operations":
      - i. At the described premises; or

- ii. At replacement premises or at temporary locations, including relocation expenses, and costs to equip and operate the replacement or temporary locations.
- (b) To minimize the suspension of business if you cannot continue "operations";
- (c) To:
  - i. Repair or replace any property; or
  - ii. Research, replace or restore the lost information on damaged "valuable papers and records":  
to the extent it reduces the amount of loss that otherwise would have been payable under this Additional Coverage or Additional Coverage
- b. Business Income.**
- (3) With respect to the coverage provided in this Additional Coverage, suspension means:
  - (a) The partial slowdown or complete cessation of your business activities; or
  - (b) That a part or all of the described premises is rendered untenable, if coverage for Business Income applies.
- (4) We will only pay for Extra Expense that occurs within 12 consecutive months after the date of direct physical loss or damage. This Additional Coverage is not subject to the Limits of Insurance.

#### **o. Fine Arts**

You may extend the insurance that applies to Business Personal Property to apply to your "fine arts".

"Fine arts" means paintings, etchings, pictures, tapestries, rare or art glass, art glass windows, valuable rugs, statuary, sculptures, "antique" furniture, "antique" jewelry, bric-a-brac; porcelains, and similar property of rarity, historical value, or artistic merit.

"Antique means" an object having value because its:

- (1) craftsmanship is in the style or fashion of former times; and
- (2) age is 100 years or older

We do not pay for loss caused by processing of or work upon the covered property including repairs or restoration.

In the event of a total loss to "fine arts", the value will be based on the actual cash value at the time of the loss.

In the event of a partial loss or damage to "fine arts" the value will be based on:

- (1) The cost to repair or restore the covered "fine arts" to the condition immediately before the loss or damage; and
- (2) The "diminished value" of the covered "fine arts" that results from partial loss or damage.

"Diminished value" means the reduced value of the "fine arts" based on the difference between the value of the covered "fine arts" before the loss or damage and the fair market value of the "fine arts" after the loss or damage has been repaired and the "fine arts" restored.

The cost to repair or restore plus the amount of the "diminished value" will not exceed the value the pair or set had prior to the loss.

If a covered loss to "fine arts" involves a pair or set and part of the pair or set is undamaged:

- (1) you may surrender the undamaged part of the pair or set to us, and the covered loss will be valued on the basis of a total loss to the entire pair or set; or
- (2) you may keep the undamaged part of the pair or set, and the covered loss will be valued on the basis of a partial loss to the entire pair or set.

You must take all reasonable steps to protect covered property at and after an insured loss to avoid further loss.

The most we will pay for loss or damage under this Coverage Extension is \$25,000 at each described premises.

Section **D. Deductibles** applies to this Coverage Extension.

**p. Fire Department Service Charge**

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$250,000 for service at each premises described in the Declarations, unless a different limit is shown in the Declarations. Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed.

This Additional Coverage applies to your liability for fire department service charge:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

Section **D. Deductibles** does not apply to this Additional Coverage.

**q. Fire Extinguisher Systems Recharge Expense**

- (1) We will pay:
  - (a) The cost of recharging or replacing, whichever is less, your fire extinguishers and fire extinguishing systems (including hydrostatic testing if needed) if they are discharged on or within 1000 feet of the described premises; and
  - (b) For loss or damage to Covered Property if such loss or damage is the result of an accidental discharge of chemicals from a fire extinguisher or a fire extinguishing system.
- (2) No coverage will apply if the fire extinguishing system is discharged during installation or testing.

Section **D. Deductibles** does not apply to this Additional Coverage.

**r. Forgery Or Alteration**

- (1) We will pay for loss resulting directly from forgery or alteration of any check, draft, promissory note, bill of exchange or similar written promise of payment in "money" that you or your agent has issued, or that was issued by someone who impersonates you or your agent.

- (2) If you are sued for refusing to pay the check, draft, promissory note, bill of exchange or similar written promise of payment in "money", on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur in that defense.

- (3) For the purpose of this coverage, check includes a substitute check as defined in the Check Clearing for the 21st Century Act and will be treated the same as the original it replaced.

- (4) The most we will pay for any loss, including legal expenses, under this Additional Coverage is \$5,000.

- (5) All loss:

- (a) Caused by one or more persons; or
- (b) Involving a single act or series of related acts;

is considered one loss.

**s. Fundraising Event Blackout**

We will reimburse the insured for fundraising event expense that are incurred due to the cancellation of a fundraising event caused by the lack of electric supply resulting in a power outage, provided the fundraising event is not re-scheduled. The fundraising event must have been planned at least 30 days prior to the power outage.

The limit of insurance for this Additional Coverage is \$25,000 per policy period.

Section **D. Deductibles** does not apply to this Additional Coverage.

**t. Glass Expenses**

- (1) We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.
- (2) We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

Section **D. Deductibles** does not apply to this Additional Coverage.



#### u. Identity Theft Expense

We will reimburse any present "Director" or Officer of the Named Insured, for "Identity Theft Expenses" incurred as the direct result of any "Identity Theft" first discovered and reported during the policy period; provided that it began to occur subsequent to the effective date of the Insured's first policy with us.

"Identity Theft", whenever used in this endorsement means the act of knowingly transferring or using, without lawful authority, a means of identification of any Officer or "Director" (or spouse or "domestic partner" thereof) of the Named Insured with the intent to commit, or to aid or abet another to commit, any unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local law.

"Identity Theft Expenses" means:

- (1) costs for notarizing fraud affidavits or similar documents for financial institutions or similar credit grantors or credit agencies that have required that such affidavits be notarized.
- (2) costs for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors.
- (3) loan application fees for re-applying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information due to "identity theft".

The limit for this Additional Coverage will be \$50,000 per policy period. This coverage is in excess of any other insurance that may be applicable.

Section **D. Deductibles** does not apply to this Additional Coverage.

#### v. Image Restoration Counseling

- (1) We will reimburse you for expenses incurred for image restoration and counseling arising out of "Improper Acts" by any Insured. Covered expenses are limited to:
  - (a) the costs of rehabilitation and counseling for the accused Insured provided the Insured is not ultimately found guilty of criminal conduct, said reimbursement to occur after acquittal of the Insured;

- (b) the costs, charged by a recruiter or expended on advertising, of replacing an Officer as a result of "Improper Acts"; and

- (c) up to \$10,000 for the costs of restoring the Named Insured's reputation and consumer confidence through image consulting.

(2) "Improper Acts" means any actual or alleged act of:

- (a) sexual abuse
- (b) sexual intimacy
- (c) sexual molestation; and/or
- (d) sexual assault;

committed by an Insured against any natural person who is not an Insured. Such "Improper Acts" must have been committed by the Insured while in his or her capacity as an insured.

The limit of insurance for this Additional Coverage is \$50,000 per policy period.

Section **D. Deductibles** does not apply to this Additional Coverage.

#### w. Key Individual Replacement Expenses

We will pay "Key Individual Replacement Expenses" if the Executive Officer or "Director" suffers an injury while in the course of employment during the policy period which results in the loss of life during the policy period.

"Key Individual Replacement Expenses" means:

- (1) costs of advertising the employment position opening;
- (2) travel, lodging, meal and entertainment expenses incurred in interviewing job applicants for the employment position opening; and
- (3) miscellaneous extra expenses incurred in finding, interviewing and negotiating with the job applicants, including, but not limited to, overtime pay, costs to verify the background and references of the applicants and legal expenses incurred to draw up employment contracts.

The limit of insurance for this Additional Coverage is \$50,000 per policy period.

Section **D. Deductibles** does not apply to this Additional Coverage.

**x. Kidnap Expense**

We will pay on behalf of any Officer or "Director" of the Insured, reasonable fees incurred as a result of the kidnapping of them or their spouse, "domestic partner", parent or child during the policy period. Coverage will not apply to any kidnapping by or at the direction of any present or former family member of the victim.

Reasonable fees will include:

- (1) fees and expenses of an independent negotiator or consultant retained with prior approval from us;
- (2) costs of travel and accommodations incurred by the Named Insured which become necessary due to the applicable kidnapping;
- (3) the reward paid by the Named Insured, which is pre-approved by us, to an informant for information not otherwise available which leads to the arrest and conviction of persons responsible for any damages under this policy; and
- (4) the current salary of your Officer or "Director" who is kidnapped. Salary shall be paid for a period commencing upon abduction and ceasing upon the earliest of either the release of the employee or discovery of the death of the employee, or 120 days after we receive the last credible evidence that the employee is still alive, or twelve (12) months after the date of kidnapping, or the exhaustion of the kidnap expense limit, whichever comes first.

The limit of insurance for this Additional Coverage is \$50,000 per policy period.

Section **D. Deductibles** does not apply to this Additional Coverage.

**y. Limited Coverage For "Fungi", Wet Rot, Dry Rot And Bacteria**

- (1) The coverage described in Paragraphs **y.(2)** and **y.(6)** only applies when the "fungi", wet rot, dry rot or bacteria is the result of a "specified cause of loss" other than fire or lightning that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.

This Additional Coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.

- (2) We will pay for loss or damage by "fungi", wet rot, dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:

- (a) Direct physical loss or damage to Covered Property caused by "fungi", wet rot, dry rot or bacteria, including the cost of removal of the "fungi", wet rot, dry rot or bacteria;
- (b) The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungi", wet rot, dry rot or bacteria; and
- (c) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungi", wet rot, dry rot or bacteria is present.

- (3) Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungi", wet or dry rot or bacteria, we will not pay more than the total of \$15,000 even if the "fungi", wet or dry rot or bacteria continues to be present or active, or recurs, in a later policy period.

- (4) The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungi", wet rot, dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property. If there is covered loss or damage to Covered Property, not caused by "fungi", wet rot, dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungi", wet rot, dry rot or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

(5) The terms of this Limited Coverage do not increase or reduce the coverage provided under the Water Damage, Other Liquids, Powder Or Molten Material Damage or Collapse Additional Coverages.

(6) The following applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the suspension of "operations" satisfies all the terms and conditions of the applicable Business Income and/or Extra Expense Additional Coverage:

(a) If a loss which resulted in "fungi", wet rot, dry rot or bacteria does not in itself necessitate a suspension of "operations", but such suspension is necessary due to loss or damage to property caused by "fungi", wet rot, dry rot or bacteria, then our payment under the Business Income and/or Extra Expense Additional Coverage is limited to the amount of loss and/or expense sustained in a period of not more than 30 days unless another number of days is indicated in the Schedule. The days need not be consecutive.

(b) If a covered suspension of "operations" was caused by loss or damage other than "fungi", wet rot, dry rot or bacteria, but remediation of "fungi", wet rot, dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days unless another number of days is indicated in the Schedule. The days need not be consecutive.

Section **D. Deductibles** applies to this Additional Coverage.

#### **z. Lock Replacement**

We will pay to re-key, repair or replace locks when there has been direct physical loss or damage to the corresponding keys by a Covered Cause Of Loss.

This coverage does not apply to:

(1) Keys to motor vehicles, trailers or any motorized land conveyances whether or not subject to motor vehicle registration.

(2) Direct physical loss or damage to keys entrusted to any person who is not an "insured".

The most we will pay under this Coverage Extension in any one occurrence is \$2,500.

The limit of insurance provided for this Coverage Extension is in addition to Section **C. Limits Of Insurance**.

Section **D. Deductibles** does not apply to this Coverage Extension.

#### **aa. Money And Securities**

(1) We will pay for loss of "money" and "securities" used in your business while at a bank or savings institution, within your living quarters or the living quarters of your partners or any employee (including a temporary or leased employee) having use and custody of the property, at the described premises, or in transit between any of these places, resulting directly from:

(a) Theft, meaning any act of stealing;

(b) Disappearance; or

(c) Destruction.

(2) In addition to the Limitations and Exclusions applicable to this policy, we will not pay for loss:

(a) Resulting from accounting or arithmetical errors or omissions;

(b) Due to the giving or surrendering of property in any exchange or purchase; or

(c) Of property contained in any "money"-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.

(3) All loss:

(a) Caused by one or more persons; or

(b) Involving a single act or series of related acts;

is considered one occurrence.

(4) You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.

(5) The most we will pay for loss in any one occurrence under this Coverage Extension is:

(a) \$15,000 for "money" and "securities" while:

i. In or on the described premises; or



- ii. Within a bank or savings institution; and
- (b) \$7,000 for "money" and "securities" while anywhere else.

- (6) Any additional Money and Securities Inside the Premises limit shown in the Declarations is in addition to the \$15,000 limit in (5)(a). Any additional Money and Securities Outside the Premises limit shown in the Declarations is in addition to the \$7,000 limit in (5)(b).

Section **D. Deductibles** applies to this Additional Coverage.

**bb. Money Orders And Counterfeit Paper Currency**

We will pay for loss resulting directly from your having accepted in good faith in exchange for merchandise, "money" or services:

- (1) Money orders issued by any post office, express company or bank that are not paid upon presentation; or
- (2) Counterfeit money that is acquired during the regular course of business.
- (3) All loss:
  - (a) Caused by one or more persons; or
  - (b) Involving a single act or series of related acts;
 is considered one loss.

The most we will pay for any loss under this Additional Coverage is \$1,000.

Section **D. Deductibles** applies to this Additional Coverage.

**cc. Newly Acquired or Constructed Property**

**(1) Buildings**

If this policy covers Buildings, you may extend that insurance to apply to:

- (a) Your new Buildings while being built on the described premises; and
- (b) Buildings you acquire at premises other than the one described premises, intended for:
  - i. Similar use as the Building described in the Declarations; or
  - ii. Used as a warehouse.

The most we will pay for loss or damage under this Coverage Extension is 25% of the Limit of Insurance for Building shown in the Declarations, but not more than \$1,000,000 at each building.

**(2) Business Personal Property**

If this policy covers Business Personal Property, you may extend that insurance to apply to:

- (a) Business Personal Property, including such property that you newly acquire, at any location you acquire; or
- (b) Business Personal Property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations.

The most we will pay for loss or damage under this Coverage Extension is \$500,000 at each premises.

With respect to insurance provided under this Coverage Extension for Newly Acquired Or Constructed Property, coverage will end when any of the following first occurs:

- (a) This policy expires;
- (b) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as Covered Property; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as Covered Property.

Section **D. Deductibles** applies to this Coverage Extension.

**dd. Ordinance or Law**

If Replacement Cost Coverage is provided for a covered building damaged by a Covered Cause of Loss, we will pay:

**Coverage 1 – Coverage for Loss to the Undamaged Portion of the Building**

With respect to the building that has sustained covered direct physical damage, we will pay under Coverage 1 for the loss in value of the undamaged portion of the building as a consequence of a requirement to comply with an ordinance or law that requires demolition of undamaged parts of the same building.

## **Coverage 2 – Demolition Cost Coverage**

With respect to the building that has sustained covered direct physical damage, we will pay the cost to demolish and clear the site of undamaged parts of the same building, as a consequence of a requirement to comply with an ordinance or law that requires demolition of such undamaged property.

Paragraph **E.6.d. Loss Payment** of the Property Loss Conditions does not apply to Demolition Cost Coverage.

## **Coverage 3 – Increased Cost of Construction Coverage**

With respect to the building that has sustained covered direct physical damage, we will pay the increased cost to:

- (1) Repair or reconstruct damaged portions of that building; and/or
- (2) Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

when the increased cost is a consequence of a requirement to comply with the minimum standards of the ordinance or law.

However:

- (1) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
- (2) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

We will not pay under Coverage 1, 2, 3 or 4 for:

- (1) Enforcement of or compliance with any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling, or remediation of property due to contamination by "pollutants", or due to the presence, growth, proliferation, spread or any activity of "fungi", wet rot, dry rot or bacteria;
- (2) The costs associated with the enforcement of or compliance with any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants", "fungi", wet rot, dry rot or bacteria.

Paragraph **E.6.d. Loss Payment** of the Property Loss Conditions does not apply to the Increased Cost of Construction Coverage.

## **Coverage 4 – Increased Period of Restoration**

- (1) If a Covered Cause of Loss occurs to property at the premises described in the Declarations, coverage is extended to include the amount of actual and necessary loss you sustain during the increased period of suspension of "operations" caused by or resulting from a requirement to comply with any ordinance or law that:

- (a) Regulates the construction or repair of any property;
- (b) Requires the tearing down of parts of any property not damaged by a Covered Cause of Loss; and
- (c) Is in force at the time of loss.

- (2) Paragraph **G.16. Period Of Restoration** definition is replaced by the following:

"Period Of Restoration" means the period of time that:

- (a) Begins immediately after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and
- (b) Ends on the earlier of:
  - i. The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
  - ii. The date when business is resumed at a new permanent location.

"Period of restoration" includes any increased period required to repair or reconstruct the property to comply with the minimum standards of any ordinance or law, in force at the time of loss, that regulates the constructions or repair, or requires the tearing down of any property

The expiration date of this policy will not cut short the "period of restoration".

## **Loss Payment**

### **Coverage 1**

When there is a loss in value of an undamaged portion of a building the loss payment for that building including damaged and undamaged portions will be determined as follows:

- (1) If the property is repaired or replaced on the same or another premises, we will not pay more than the lesser of:
  - (a) The amount you actually spend to repair, rebuild, or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or
  - (b) The Limit of Insurance shown in the Declarations as applicable to the covered building.
- (2) If the property is not repaired or replaced we will not pay more than the lesser of:
  - (a) The actual cash value of the building at the time of loss; or
  - (b) The Limit of Insurance shown in the Declarations as applicable to the covered building.

Coverage 1 is included within the Limit Of Insurance shown in the Declarations as applicable to the covered building. Coverage 1 does not increase Section **C. Limits Of Insurance**.

### **Coverage 2**

Loss payment under Coverage 2 – Demolition Cost Coverage will be determined as follows:

We will not pay more than the lesser of the following:

- (1) The amount you actually spend to demolish and clear the site of the described premises; or
- (2) 10% of the Limit of Insurance that applies to the covered building(s).

The insurance provided by Coverage 2 does not increase Section **C. Limits Of Insurance**.

### **Coverage 3**

Loss payment under Coverage 3 – Increased Cost of Construction Coverage will be determined as follows:

- (1) We will not pay under Coverage 3:

- (a) Until the property is actually repaired or replaced at the same or another premises; and
- (b) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

- (2) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage 3 is the lesser of:

- (a) The increased cost of construction at the same premises; or
- (b) The Limit of Insurance shown in the Declarations as applicable to the covered building.

- (3) If the ordinance or law requires relocation to another premises, the most we will pay under Coverage 3 is the lesser of:

- (a) The increased cost of construction at the new premises; or
- (b) The Limit of Insurance shown in the Declarations as applicable to the covered building.

- (4) The terms of this coverage apply separately to each building to which this coverage applies.

- (5) Under this coverage, we will not pay for loss due to any ordinance or law that:

- (a) You were required to comply with before the loss, even if the building was undamaged; and
- (b) You failed to comply with.

We will pay up to \$5,000 for Increased Cost Of Construction, which is not subject to the Limits of Insurance. If the loss is greater than \$5,000, we will pay up to the Limit of Insurance shown in the Declarations, but this portion of the additional coverage is subject to Section **C. Limits of Insurance**.

### **Application of Coverage(s)**

Coverages 1, 2 and/or 3 apply only if both 1. and 2. below are satisfied and are then subject to the qualifications set forth in 3.

**(1) The ordinance or law:**

- (a)** Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and

**(b) Is in force at the time of loss.**

But coverage under this Coverage Extension applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this Coverage Extension.

**(2) The building sustains direct physical damage:**

- (a)** That is covered under this policy and as a result of such damage are required to comply with the ordinance or law; or

- (b)** The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and as a result of the building damage in its entirety you are required to comply with the ordinance or law.

- (c)** But if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this Coverage Extension even if the building has also sustained covered direct physical damage.

- (3)** In the situation described in **2.b.** above, we will not pay the full amount of loss otherwise payable under the terms of Coverages **1, 2** and/or **3** of this Coverage Extension. Instead, we will pay a proportion of such loss; meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

However, if the covered direct physical damage alone would have resulted in a requirement to comply with the ordinance or law, then we will pay the full amount of loss otherwise payable under the terms of Coverages **1, 2** and/or **3** of this Coverage Extension.

To the extent that the Ordinance Or Law Exclusion might conflict with the coverage provided under this Additional Coverage, the Ordinance Or Law Exclusion does not apply to such coverage.

Section **D. Deductibles** applies to this Additional Coverage.

**ee. Outdoor Detached Signs**

We will pay for direct physical loss or damage to all detached outdoor signs permanently fixed in place as a result of a Covered Cause of Loss.

The most we will pay for loss or damage under this Coverage Extension is \$10,000 at each described premises plus the Outdoor Detached Sign limit shown in the Declarations.

Section **D. Deductibles** applies to this Coverage Extension.

**ff. Outdoor Property**

You may extend the insurance provided by this policy to apply to your outdoor radio and television antennas (including satellite dishes), trees, shrubs and plants, (other than trees, shrubs or plants which are part of a vegetated roof), including debris removal expense. Loss or damage must be caused by or result from the following causes of loss:

- (1)** Fire;
- (2)** Lightning;
- (3)** Explosion;
- (4)** Riot or Civil Commotion; or
- (5)** Aircraft.

The most we will pay for loss or damage under this Coverage Extension is \$10,000, but not more than \$500 for any one tree, shrub or plant.

Subject to all the aforementioned terms and limitations of coverage, this Coverage Extension includes the expense or removing from the described premises the debris of trees, shrubs and plants which are the property of others, except in the situation in which you are a tenant and such property is owned by the landlord of the described premises.

Section **D. Deductibles** applies to this Coverage Extension.

**gg. Electronic Data Processing Equipment And Software**

You may extend the insurance that applies to Business Personal Property to apply to your electronic data processing "equipment" and "software".

We cover direct physical loss or damage caused by a Covered Cause Of Loss to the following property:

(1) "Hardware"

(2) "Software"

We cover the cost of research or other expenses necessary to reproduce, replace or restore lost files or codes on lost or damaged "data records" only if the cost of research or other expenses necessary to reproduce, replace or restore lost files or codes are incurred due to a direct physical loss caused by a Covered Cause Of Loss to "data records".

(3) "Telecommunications equipment"

(4) "Reproduction equipment"

We will not pay for loss or damage to Covered Property that is rented or leased to others while away from the described premises.

**Electrical and Power Supply Disturbance**

We cover direct physical loss to covered property caused by "electrical disturbance", or "power supply disturbance".

**Mechanical Breakdown Coverage**

We pay for loss to covered property caused by "mechanical breakdown".

**Extra Expense**

We cover Extra Expenses you incur to continue normal operations which are interrupted as a result of a loss insured by this Coverage Extension. However, we will pay these expenses only for the period of time it takes you to reasonably restore or replace the property damaged.

**Foreign Transit And Location Coverage**

We cover direct physical loss to your "portable computers" including pre-installed "programs and applications" while temporarily at a foreign location or in transit to or from a temporary foreign location outside the coverage territory.

We do not cover your "portable computers" or preinstalled "programs or applications" that are:

- (1) Shipped vial mail;
- (2) you are required to provide a negotiable ocean cargo policy or certificate to any seller, buyer or bank; or
- (3) the property is shipped to or is located in a country that is the subject of a trade embargo, economic sanctions, or other trade restrictions by the government of the United States of America.

**Valuation**

- (1) The value of "hardware" that is replaced will be based on the cost of replacing the "hardware" with new equipment that is functionally comparable to the "hardware" that is being replaced. The value of "hardware" that is not repaired or replaced will be based on the actual cash value at the time of the loss (with a deduction for depreciation). In no event will we pay more than the reasonable cost of restoring partially damaged "hardware" to its condition directly prior to the damage.
- (2) The value of "programs and applications" will be based on the cost to reinstall the "programs or applications" from the licensed discs that were originally used to install the programs or applications. If the original licensed discs are lost, damaged, or can no longer be obtained, the value of "programs and applications" will be based on the cost of the most current version of the "programs or applications".
- (3) The value of "data records" will be based on the cost of reproduction from duplicate copies. The cost of reproduction includes, but is not limited to, the cost of labor to copy or transcribe from duplicate copies. If duplicate copies do not exist, the value of "data records" will be based on the cost of research or other expenses necessary to reproduce, replace, or restore lost files, documents, or records.
- (4) The Value of "media" will be based on the cost to repair or replace the "media" with material of the same kind or quality.
- (5) The value of "telecommunications equipment" and "reproduction equipment" will be based on the replacement cost without any deduction for depreciation.



The following Definitions apply to Electronic Data Processing Equipment And Software Coverage in addition to Section **G. Definitions:**

- (1)** "Computer hacking" means an unauthorized intrusion:
  - (a)** by an individual or group of individuals, whether employed by you or not, into "hardware", "software" or a computer network; and
  - (b)** that results in but is not limited to:
    - i. deletion, destruction, generation, or modification of "software";
    - ii. alteration, contamination, corruption, degradation, or destruction of the integrity, quality, or performance of "software";
    - iii. observation, scanning, or copying of "data records", "programs and applications" and proprietary programs;
    - iv. damage, destruction, inadequacy, malfunction, degradation, or corruption of any "hardware", Web site server, or "media" used with "hardware" or Web site server, or
    - v. denial of access to or denial of services from your "hardware", Web site server or your computer network.
- (2)** "Computer virus" means the introduction of any malicious, self-replicating electronic data processing code or other code:
  - (a)** into "hardware", "software", or Web site server, and
  - (b)** that is intended to result in, but is not limited to:
    - i. deletion, destruction, generation, or modification of "software",
    - ii. alteration, contamination, corruption, degradation, or destruction of the integrity, quality, or performance of "software",
    - iii. damage, destruction, inadequacy, malfunction, degradation, or corruption of any "hardware", Web site server, or "media" used with "hardware" or Web site server, or
    - iv. denial of access to or denial of services from your "hardware", Web site server or your computer network.
- (3)** "Data records" means files, documents, and information in an electronic format and that are stored on "media".
- (4)** "Electrical disturbance" means electrical or magnetic damage, disturbance of electronic recordings, or erasure of electronic recordings.
- (5)** "Hardware" means a network of electronic machine components (microprocessors) capable of accepting instructions and information, processing the information according to the instructions, and producing desired results.
  - (a)** "Hardware" includes but is not limited to:
    - i. personal computers and work stations;
    - ii. laptops, palmtops, notebook PCs, other portable computer devices and accessories including, but not limited to, multimedia projectors; and
    - iii. peripheral data processing equipment, including but not limited to, printers, keyboards, monitors, and modems.
  - (b)** "Hardware" does not include:
    - i. "software";
    - ii. "telecommunications equipment"; and
    - iii. "reproduction equipment"
- (6)** "Mechanical breakdown" means the malfunction or failure of moving or electronic parts, component failure, faulty installation, or blowout.
- (7)** "Media" means processing, recording, or storage media used with "hardware". This includes but is not limited to films, tapes, cards, discs, drums, cartridges, or cells.
- (8)** "Portable computers" means laptops, palmtops, notebook PCs, other portable computer devices and accessories including but not limited to , multimedia projectors.
- (9)** "Power supply disturbance" means interruption of power supply, power surge, blackout, or brownout.

(10) "Programs and applications" means operating programs and applications that you purchase and that are:

- (a) stored on "media"; or
- (b) pre-installed and stored in "hardware".

(11) "Reproduction equipment" means a network of equipment and software designed for the scanning, copying, storage, and retrieval of paper documents.

(12) "Software" means "media", "data records", "programs and applications". "Software" does not mean Web site software.

(13) "Telecommunications equipment" means telephone components, and equipment used for the transmission of communications.

"Telecommunications equipment" includes but is not limited to:

- (a) telephone switchgear (including PBX systems);
- (b) telephone operating programs, related software;
- (c) facsimile transmission equipment;
- (d) video conferencing equipment; and
- (e) other related hardware (including computers dedicated to voice mail).

We do not pay for loss or damage that is caused by or results from any direct or indirect loss or damage; or loss of access, loss of use, or loss of functionality caused by a "computer virus" or by "computer hacking".

The most we will pay for loss or damage under this Coverage Extension is \$25,000 at each described premises plus the limit shown in the Declarations.

The limit of insurance provided for this Coverage Extension is in addition to Section C. **Limits Of Insurance.**

Business Income does not apply to this Coverage Extension.

Section D. **Deductibles** applies to this Coverage Extension.

#### hh. **Personal Effects**

You may extend the insurance that applies to Business Personal Property to apply to:

(1) Personal Effects owned by you, your officers, your partners or "members", your "managers" or your employees, including temporary or leased employees. This extension does not apply to loss or damage by theft. The most we will pay for loss or damage to Personal Effects under this Coverage Extension is \$25,000 at each described premises. Coverage for employee tools is limited to \$2,500 at each described premises.

(2) Personal Property of Others in your care, custody or control. The most we will pay for loss or damage to Personal Property of Others under this Coverage Extension is \$25,000 at each described premises. Coverage for employee tools is limited to \$2,500 at each described premises. Our payment for loss of or damage to Personal Property of Others will only be for the account of the owner of the property.

Section D. **Deductibles** applies to this Coverage Extension.

#### ii. **Personal Property Off Premises**

(1) You may extend the insurance that applies to Business Personal Property to apply to covered property that is temporarily at a location you do not own, lease or operate.

Contractors equipment or tools used to conduct your operations away from the premises is limited to \$5,000.

This Coverage Extension does not apply to Covered Property:

- (a) In or on a vehicle;
- (b) In the care, custody or control of your salesperson;
- (c) At any fair or exhibition;
- (d) Covered Property owned by you, or for which you are legally liable, that is to be installed by you or at your direction, while the property is at a jobsite location; or
- (e) Money and securities.

The most we will pay for loss or damage under this Coverage Extension is \$100,000. Insurance under this Coverage Extension will end when any of the following first occurs:

- (a) This policy expires, or
- (b) 90 days expire after your Covered Property is temporarily at a location you do not own, lease or operate.

- (2) You may extend the insurance that applies to Business Personal Property to apply to covered property while in transit.

Coverage is provided while the property is in or on a motor vehicle you own, lease or operate while between points in the coverage territory.

The most we will pay for loss or damage under this Coverage Extension is:

- (a) \$5,000 on Fine Arts;
- (b) \$5,000 on Personal Computers and EDP Equipment;
- (c) \$5,000 on Data and Media;
- (d) \$5,000 on Business Personal Property in or on a motor vehicle you do not own, lease or operate;
- (e) \$5,000 on Contractors equipment or tools used to conduct your operations away from the premises; and
- (f) \$25,000 on All Other Property except as noted below.

This Coverage Extension does not apply to:

- (a) Money and Securities;
- (b) Covered Property owned by you, or for which you are legally liable, that is to be installed by you or at your direction, while the property is at a jobsite location;
- (c) Property in the care, custody, or control of your salesperson;
- (d) Accounts receivable; or
- (e) Valuable papers.

Section **D. Deductibles** applies to this Coverage Extension.

#### jj. Political Unrest Coverage

We will reimburse any present "director", officer, employee or volunteer of the named insured while traveling outside the United State of America for "emergency evacuation expenses" that are incurred as a result of an incident of "political unrest". This "political unrest" must occur during the policy period. No coverage is granted for travel to countries in a state of "political unrest" at the time of departure of the travel.

- (1) **"Emergency Evacuation Expense"** means:

- (a) Additional lodging expenses;
- (b) Additional transportation expenses;

- (c) The cost of obtaining replacements of lost or stolen travel documents necessary for evacuation from the area of "political unrest"; and

- (d) Translation services, message transmittals and other communication expenses;

provided these expenses are not otherwise reimbursable.

(2) **"Political Unrest" means**

- (a) A short-term condition of disturbance, turmoil or agitation within a foreign country that poses imminent risk to the security of citizens of the United States;
- (b) A long-term condition of disturbance, turmoil or agitation that makes a foreign country dangerous or unstable for citizens of the United States; or
- (c) A condition of disturbance, turmoil or agitation within a foreign country that constrains the United States Government's ability to assist citizens of the United States, due to the closure or inaccessibility of an embassy or consulate or because of a reduction of its staff;

for which either an alert of travel warning has been issued by the United States Department of State.

The limit of insurance for this coverage is \$50,000 per policy period

Section **D. Deductibles** does not apply to this Additional Coverage.

#### kk. Pollutant Clean Up And Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.



The most we will pay for each location under this Additional Coverage is \$25,000 for the sum of all such expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

Section **D. Deductibles** applies to this Additional Coverage.

## **II. Preservation Of Property**

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss of or damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within 30 days after the property is first moved.

Section **D. Deductibles** applies to this Additional Coverage.

### **mm. Property At Fairs Or On Exhibition**

You may extend the insurance that applies to Business Personal Property to apply to your Covered Property while at any fair or exhibition not located within 1,000 feet of the premises described in the Declarations. This Coverage Extension does not apply to fine arts or your salespersons samples.

The most we will pay for loss or damage under this Coverage Extension is \$50,000.

Section **D. Deductibles** applies to this Coverage Extension.

### **nn. Property in the Custody of Sales Representatives**

You may extend the insurance that applies to Business Personal Property to apply to your Covered Property in the care, custody or control of a sales representative and not located within 1,000 feet of the premises described in the Declarations.

The most we will pay for loss or damage under this Coverage Extension is \$25,000.

Section **D. Deductibles** does apply to this Coverage Extension.

### **oo. Removal Permit**

If Covered Property is removed to a new location that has been added by a policy change to this policy, you may extend this insurance to include that Covered Property at each location during the removal. Coverage at each location will apply in the proportion that the value at each location bears to the value of all Covered Property being removed. This permit applies up to 10 days after the effective date of the policy change, after that, this insurance does not apply at the previous location.

Section **D. Deductibles** applies to this Additional Coverage.

### **pp. Rewards**

We will pay up to \$25,000 for information which leads to the arrest and conviction of the person(s) who caused the loss covered under this policy. Regardless of the number of persons involved in providing information our liability under this Additional Coverage will not be increased.

This Coverage Extension does not apply to:

- (1) you;
- (2) your family members; or
- (3) your employees or independent contractors.

Section **D. Deductibles** does not apply to this Additional Coverage.

### **qq. Spoilage**

We will pay for loss of or damage to "perishable stock" at the described premises. "Perishable stock" means property maintained under controlled temperature or humidity conditions for preservation; and susceptible to loss or damage if the controlled temperature or humidity conditions change. We will not cover property located on buildings, in the open, or in vehicles.

We will pay for loss or damage to "perishable stock" caused by breakdown or contamination or power outage.

Breakdown or contamination meaning change in temperature or humidity resulting from mechanical breakdown or mechanical failure of refrigerating, cooling, or humidity control apparatus or equipment, only while such apparatus or equipment is at the described premises. Contamination by a refrigerant, only while the refrigerating apparatus or equipment is at the described premises.

Mechanical breakdown and mechanical failure do not mean power interruption, regardless of how or where the interruption is caused and whether or not the interruption is complete or partial.

Power outage meaning change in temperature or humidity resulting from complete or partial interruption of electrical power, either on or off the described premises, due to conditions beyond your control.

We will not pay for loss or damage caused by or resulting from:

- (1) The disconnection of any refrigerating, cooling, or humidity control system from the source of power.
- (2) The deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current.
- (3) The inability of an electrical utility company or other power source to provide sufficient power due to:
  - (a) Lack of fuel; or
  - (b) Governmental order.
- (4) The inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand.
- (5) Breaking of any glass that is a permanent part of any refrigerating, cooling, or humidity control unit.

The most we will pay for loss or damage under this Coverage Extension is \$10,000 at each described premises.

Section **D. Deductibles** does not apply to this Coverage Extension.

**rr. Temporary Meeting Space Reimbursement**

We will reimburse you for the rental of meeting space which is necessitated by the temporary unavailability of your primary office space due to the failure of a climate control system, or leakage of a hot water heater during the policy period. Coverage will exist only for the renting of temporary meeting space required for meeting with parties who are not insured under this policy.

The limit of insurance for this Additional Coverage is \$25,000 per policy period.

Section **D. Deductibles** does not apply to this Additional Coverage.

**ss. Terrorism Travel Reimbursement**

We will reimburse any of your present "Directors" or Officers in the event of a Certified Act of Terrorism during the policy period which necessitates that he/she incurs "Emergency Travel Expenses."

"Emergency Travel Expenses" means:

- (1) hotel expenses incurred which directly result from the cancellation of a scheduled transport by a common carrier resulting directly from and within forty-eight hours of a Certified Act of Terrorism; and
- (2) the increased amount incurred in air or train fare which may result from re-scheduling comparable transport, to replace a similarly scheduled transport canceled by a common carrier in direct response to a Certified Act of Terrorism.

The limit of insurance for this Additional Coverage is \$50,000 per policy period.

Section **D. Deductibles** does not apply to this Additional Coverage.

**tt. Travel Delay Reimbursement**

We will reimburse any of your present "Directors" or Officers for any non-reimbursable expenses they incur as a result of the cancellation of any regularly scheduled business travel on a common carrier. The common carrier must order the cancellation.

The limit of insurance for this Additional Coverage is \$1,500 per policy period

A 72 waiting period deductible applies to this Additional Coverage.

**uu. Utility Services Direct Damage and Utility Services Time Element, Including Overhead Lines**

- (1) We will pay for loss of or damage to Covered Property and loss of Business Income or Extra Expense at the premises described in the Declarations caused by the interruption of service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss and:

- (a) Originates away from the described premises; or

- (b) Originates at the described premises, but only if such interruption involves equipment used to supply the utility service to the described premises from a source away from the described premises.

Failure of any utility service includes lack of sufficient capacity and reduction in supply. Loss or damage caused by a surge of power is also provided, if the surge would not have occurred but for an event causing a failure of power.

Covered Property does not include "electronic data", and any loss or damage thereto, or destruction or corruption of "electronic data".

(2) Utility services includes:

- (a) Water Supply Property, meaning the following types of property supplying water to the described premises:
- i. Pumping stations; and
  - ii. Water mains.
- (b) Wastewater Removal Property, meaning a utility system for removing wastewater and sewage from the described premises, other than a system designed primarily for draining storm water. The utility property includes sewer main, pumping stations and similar equipment for moving the effluent to a holding, treatment, or disposal facility, and includes such facilities.
- (c) Communication Supply Property, meaning property supplying communication services, including telephone, radio, microwave, Internet access, access to any electronic cellular, or satellite network, or television services to the described premises, such as:
- (i) Communication transmission lines, including optic fiber transmission lines and overhead transmission lines;
  - (ii) Coaxial cables; and
  - (iii) Microwave radio relays except satellites.
- (d) Power Supply Property, meaning the following types of property supplying electricity, steam or gas to the described premises:

- i. Utility generating plants;
- ii. Switching stations;
- iii. Substations;
- iv. Transformers; and
- v. Transmission lines, including overhead transmission lines.

The term transmission lines includes all lines which serve to transmit communication service or power, including lines which may be identified as distribution lines.

Section **D. Deductibles** applies to this Coverage Extension.

**vv. Valuable Papers And Records**

- (1) You may extend the insurance that applies to Business Personal Property to apply to direct physical loss or damage to "valuable papers and records" that you own, or that are in your care, custody or control caused by or resulting from a Covered Cause of Loss. This Coverage Extension includes the cost to research, replace or restore lost information on "valuable papers and records" for which duplicates do not exist.
- (2) This Coverage Extension does not apply to:
- (a) Property held as samples or for delivery after sale; and
  - (b) Property in storage away from the premises shown in the Declarations.
- (3) The most we will pay under this Coverage Extension for loss or damage to "valuable papers and records" in any one occurrence at the described premises is \$250,000.

For "valuable papers and records" not at the described premises, the most we will pay is \$2,500.

The limit of insurance provided for this Coverage Extension is in addition to Section **C. Limits Of Insurance**.

- (4) Loss or damage to "valuable papers and records" will be valued at the cost of restoration or replacement of the lost or damaged information. To the extent that the contents of the "valuable papers and records" are not restored, the "valuable papers and records" will be valued at the cost of replacement with blank materials of substantially identical type.

(5) Section **B. Exclusions** of this Coverage Form does not apply to this Coverage Extension except for:

- (a) Paragraph **B.1.b.**, Governmental Action;
- (b) Paragraph **B.1.c.**, Nuclear Hazard;
- (c) Paragraph **B.1.e.**, War And Military Action;
- (d) Paragraph **B.2.c.**, Dishonesty;
- (e) Paragraph **B.2.f.**, False Pretense;
- (f) Paragraph **B.2.m.(2)** Errors Or Omissions;
- (g) Paragraph **B.3.**

Section **D. Deductibles** applies to this Coverage Extension.

**ww. Water Back Up, Sump Pump Overflow**

(1) We will pay for direct physical loss or damage, not caused by your negligence, to covered Building and Business Personal Property caused by or resulting from:

- (a) water or waterborne material which backs up through or overflows from a sewer or drain; or
- (b) water or waterborne material which overflows or is otherwise discharged from a sump, sump pump or related equipment even if the overflow or discharge results from mechanical breakdown of a sump pump, or its related equipment.

The term drain includes a roof drain and related fixtures.

(2) We will not pay for direct loss or damage caused by:

- (a) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether driven by wind (including storm surge);
- (b) Mudslide or mudflow; or
- (c) Water under the ground surface pressing on, or flowing or seeping through:
  - i. Foundations, walls, floors or paved surfaces;
  - ii. Basements, whether paved or not;
  - iii. Doors, windows or other openings; or

(d) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph **a.** or **c.**, or material carried or otherwise moved by mudslide or mudflow.

But if any of the above, in Paragraphs **(a)** through **(d)**, results in fire, explosion or sprinkler leakage, we will pay for the loss or damaged caused by that fire, explosion or sprinkler leakage.

Business Income or Extra Expense does not apply to this Coverage Extension.

The most we will pay under this Coverage Extension for all direct loss or damage occurring during the policy term is \$25,000. This limit does not apply separately to each location.

Section **D. Deductibles** does not apply to this Coverage Extension.

**xx. Water Damage, Other Liquids, Powder Or Molten Material Damage**

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes.

We will not pay the cost to repair any defect that caused the loss or damage, but we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:

- (1) Results in discharge of any substance from an automatic fire protection system; or
- (2) Is directly caused by freezing.

Section **D. Deductibles** applies to this Additional Coverage.

**yy. Workplace Violence**

(1) Coverage

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by any intentional use, or threat to use, violence or deadly force by any person, but the most we will pay under this coverage is \$100,000.

Extra Expense is extended to include the cost of mental health counseling for employees and the cost of public relations consultants or other specialists used to restore the insured's reputation following an incident of workplace violence. The most we will pay under this extension is \$5,000.

**(2) Loss Determination**

Determination of the Business Income loss under this additional coverage will be calculated only for the location where the workplace violence occurred. Coverage will only be for the "period of restoration".

Extra Expense will apply even though operations have resumed, but only for a period of 60 days following the incident.

Section **D. Deductibles** does not apply to this Additional Coverage.

**zz. Business Personal Property Temporarily In Portable Storage Units**

**(1)** You may extend the insurance that applies to Business Personal Property to apply to such property while temporarily stored in a portable storage unit (including a detached trailer) located within 100 feet of the buildings or structures described in the Declarations or within 100 feet of the described premises, whichever distance is greater.

**(2)** The limitation under Paragraph **A.4.a.(5)** also applies to property in a portable storage unit.

**(3)** Coverage under this Extension:

**(a)** Will end 90 days after the Business Personal Property has been placed in the storage unit;

**(b)** Does not apply if the storage unit itself has been in use at the described premises for more than 90 consecutive days, even if the Business Personal Property has been stored there for 90 or fewer days as of the time of loss or damage.

**(4)** Under this Extension, the most we will pay for the total of all loss or damage to Business Personal Property is \$10,000 (unless a higher limit is indicated in the Declarations for such Extension) regardless of the number of storage units.

**(5)** This Extension does not apply to loss or damage otherwise covered under this Coverage Form or any endorsement to this Coverage Form, and does not apply to loss or damage to the storage unit itself.

Section **D. Deductibles** applies to this Coverage Extension.

**B. Exclusions**

**1.** We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

**a. Earth Movement**

**(1)** Earthquake, including tremors and aftershocks and any sinking, rising or shifting related to such event;

**(2)** Landslide, including any earth sinking, rising or shifting related to such event;

**(3)** Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;

**(4)** Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other part of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

But if Earth Movement as described in Paragraphs **(1)** through **(4)** above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

**(5)** Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or volcanic action, we will pay for the loss or damage caused by that fire, building glass breakage or volcanic action.

Volcanic action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

**(a)** Airborne volcanic blast or airborne shock waves;

**(b)** Ash, dust, or particulate matter; or



**(c) Lava flow.**

With respect to coverage for volcanic action as set forth in **(5)(a)**, **(5)(b)** and **(5)(c)**, all volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

Volcanic action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss of or damage to Covered Property.

This exclusion applies regardless of whether any of the above, in Paragraphs **(1)** through **(5)**, is caused by an act of nature or is otherwise caused.

**b. Governmental Action**

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this policy.

**c. Nuclear Hazard**

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

**d. Ordinance Or Law**

The enforcement of or compliance with any ordinance or law:

- (1)** Regulating the construction, use or repair of any property; or
- (2)** Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion, Ordinance Or Law, applies whether the loss results from:

- (1)** An ordinance or law that is enforced even if the property has not been damaged; or
- (2)** The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property or removal of its debris, following a physical loss to that property.

**e. War And Military Action**

- (1)** War, including undeclared or civil war;
- (2)** Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3)** Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**f. Water**

- (1)** Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
- (2)** Mudslide or mudflow;
- (3)** Water under the ground surface pressing on, or flowing or seeping through:
  - (a)** Foundations, walls, floors or paved surfaces;
  - (b)** Basements, whether paved or not; or
  - (c)** Doors, windows or other openings.; or
- (4)** Waterborne material carried or otherwise moved by any of the water referred to in Paragraph **(1)** or **(3)**, or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs **(1)** through **(4)**, is caused by an act of nature or is otherwise caused.

But if any of the above, in Paragraphs **(1)** through **(4)**, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

- 2.** We will not pay for loss or damage caused by or resulting from any of the following:

**a. Collapse**

- (1)** Collapse, including any of the following conditions of property or any part of the property:
  - (a)** An abrupt falling down or caving in;
  - (b)** Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or

- (c) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition related to Paragraph **a.(1)(a)** or **a.(1)(b)**.

But if collapse results in a Covered Cause of Loss at the described premises, we will pay for the loss or damage caused by that Covered Cause of Loss.

(2) This exclusion **a.** does not apply:

- (a) to the extent that coverage is provided under the Additional Coverage – Collapse; or
- (b) to collapse caused by one or more of the following:
- i. The "specified causes of loss";
  - ii. Breakage of building glass;
  - iii. Weight of rain that collects on a roof; or
  - iv. Weight of people or personal property.

**b. Consequential Losses**

Delay, loss of use or loss of market.

**c. Dishonesty**

Dishonest or criminal acts (including theft) by you, anyone else with an interest in the property, or any of your or their partners, "members", officers, "managers", employees (including temporary or leased employees), "directors", trustees, or authorized representatives, whether acting alone or in collusion with each other or with any other party; or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion:

- (1) Applies whether or not an act occurs during your normal hours of operation.
- (2) Does not apply to acts of destruction by your employees (including temporary or leased employees) or authorized representatives, but theft by your employees (including temporary or leased employees) or authorized representatives is not covered.

With respect to accounts receivable and "valuable papers and records", this exclusion does not apply to carriers for hire.

This exclusion does not apply to coverage this is provided under the Employee Dishonesty Additional Coverage.

**d. Electrical Apparatus**

Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:

- (1) Electrical or electronic wire, device, appliance system or network; or.
- (2) Device, appliance, system or network utilizing cellular or satellite technology.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

- (1) Electrical current, including arcing;
- (2) Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (3) Pulse of electromagnetic energy; or
- (4) Electromagnetic waves or microwaves.

But if fire results, we will pay for the loss or damage caused by fire.

We will pay for loss or damage to "computer(s)" due to artificially generated electrical, magnetic or electromagnetic energy if such loss or damage is caused by or results from:

- (1) An occurrence that took place within 100 feet of the described premises; or
- (2) Interruption of electric power supply, power surge, blackout or brownout if the cause of such occurrence took place within 100 feet of the described premises.

**e. Exposed Property**

Rain, snow, ice or sleet to personal property in the open.

**f. False Pretense**

Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

**g. Frozen Plumbing**

Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:

- (1) You do your best to maintain heat in the building or structure; or
- (2) You drain the equipment and shut off the supply if the heat is not maintained.

**h. "Fungi", Wet Rot Or Dry Rot**

Presence, growth, proliferation, spread or any activity of "fungi", wet rot or dry rot.

But if "fungi", wet rot or dry rot results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion does not apply:

- (1) When "fungi", wet rot or dry rot results from fire or lightning; or
- (2) To the extent that coverage is provided in the Limited Coverage For "Fungi", Wet Rot Or Dry Rot Additional Coverage with respect to loss or damage by a cause of loss other than fire or lightning.

**i. Pollution**

We will not pay for loss or damage caused by or resulting from the discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

**j. Smoke, Vapor, Gas**

Smoke, vapor or gas from agricultural smudging or industrial operations.

**k. Steam Apparatus**

Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

**l. Virus Or Bacteria**

- (1) Any virus, bacterium or other microorganism that incudes or is capable of inducing physical distress, illness or disease.

- (2) However, the exclusion in Paragraph (1) does not apply to loss or damage caused by or resulting from "fungi", wet rot or dry rot. Such loss or damage is addressed in Exclusion **h**.

- (3) With respect to any loss or damage subject to the exclusion in Paragraph (1), such exclusion supersedes any exclusion relating to "pollutants".

This exclusion does not apply:

- (1) When bacteria results from fire or lightning; or
- (2) To the extent that coverage is provided in the Limited Coverage For "Fungi", Wet Rot Or Dry Rot and Bacteria Additional Coverage if any, with respect to loss or damage by a cause of loss other than fire or lightning.

**m. Other Types Of Loss**

- (1) Wear and tear;
- (2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;
- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;
- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force.  
This exclusion does not apply with respect to the breakdown of "computer(s)";
- (7) The following causes of loss to personal property:
  - (a) Dampness or dryness of atmosphere;
  - (b) Changes in or extremes of temperature; or
  - (c) Marring or scratching.

But if an excluded cause of loss that is listed in **B.2.m.(1)** through **B.2.m.(7)** results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.



**n. Errors Or Omissions**

Errors or omissions in:

- (1) Programming, processing or storing data, as described under "electronic data" or in any "computer" operations; or
- (2) Processing or copying "valuable papers and records".

However, we will pay for direct physical loss or damage caused by resulting fire or explosion if these causes of loss would be covered by this Coverage Form.

**n. Continuous Or Repeated Seepage Or Leakage Of Water**

Continuous or repeated seepage or leakage of water, or the presence or condensation or humidity, moisture or vapor, that occurs over a period of 14 days or more.

3. We will not pay for loss or damage caused by or resulting from any of the following **B.3.a.** through **B.3.c.** But if an excluded cause of loss that is listed in **B.3.a.** through **B.3.c.** results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

**a. Weather Conditions**

Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph **B.1.** above to produce the loss or damage.

**b. Acts Or Decisions**

Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

**c. Negligent Work**

Faulty, inadequate or defective:

- (1) Planning, zoning, development, surveying, siting;
- (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- (3) Materials used in repair, construction, renovation or remodeling; or
- (4) Maintenance;

of part or all of any property on or off the described premises.

**4. Business Income And Extra Expense Exclusions**

a. We will not pay for:

- (1) Any Extra Expense, or increase of Business Income loss, caused by or resulting from:

(a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or

(b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the suspension of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage.

- (2) Any other consequential loss.

b. With respect to this exclusion, suspension means:

- (1) The partial slowdown or complete cessation of your business activities; and
- (2) That a part or all of the described premise is rendered untenable, if coverage for Business Income applies.

**5. Accounts Receivable Exclusion**

The following additional exclusion applies to the Accounts Receivable Coverage Extension:

We will not pay for:

- a. Loss or damage caused by or resulting from alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of "money", "securities" or other property.

This exclusion applies only to the extent of the wrongful giving, taking or withholding.

- b. Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions.

- c. Any loss or damage that requires any audit of records or any inventory computation to prove its factual existence.

### C. Limits Of Insurance

1. The most we will pay for loss or damage in any one occurrence is the applicable Limits Of Insurance shown in the Declarations.
2. The amounts of insurance applicable to the Coverage Extensions and the Fire Department Service Charge, Pollutant Clean Up and Removal, and Business Income From Dependent Properties Additional Coverages apply in accordance with the terms of such coverages and are in addition to the Limits of Insurance shown in the Declarations.

#### 3. Automatic Increase in Limits of Insurance

- a. In accordance with Paragraph **C.3.b.**, the Limit of Insurance for Buildings and Personal Property will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase is calculated as follows:
  - (1) Multiply the limit that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Building or Personal Property by
  - (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08),
  - (3) Multiply the number calculated in accordance with **b.(1)** by the number of days since the beginning of the current policy year, or the effective date of the most recent policy change amending the Building or Personal Property limit, divided by 365.

Example:

If: The applicable Building limit is \$100,000.  
The annual percentage increase is 8%.  
The number of days since the beginning of the policy year (or last policy change) is 146.

The amount of increase is  
 $\$100,000 \times .08 \times 146 \div 365 = \$3,200$ .

#### 4. Business Personal Property Limit – Seasonal Increase

- a. Subject to Paragraph **5.b.**, the Limit of Insurance for Business Personal Property is automatically increased by 50% of the Business and Personal Property limit that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Business Personal Property limit to provide for seasonal variations.

- b. The increase described in Paragraph **4.a.** will apply only if the Limit Of Insurance shown for Business Personal Property in the Declarations is at least 100% of your average monthly values during the lesser of:

- (1) The 12 months immediately preceding the date the loss or damage occurs; or
- (2) The period of time you have been in business as of the date the loss or damage occurs.

### D. Deductibles

1. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance.
2. No deductible applies to the following Additional Coverages:
  - a. Fire Department Service Charge;
  - b. Business Income;
  - c. Extra Expense;
  - d. Civil Authority;
  - e. Business Travel Accidental Death Benefits;
  - f. Conference Cancellation;
  - g. Donation Assurance;
  - h. Emergency Real Estate Consulting Fee;
  - i. Fire Extinguisher Systems Recharge Expense;
  - j. Fundraising Event Blackout;
  - k. Glass Expenses;
  - l. Identity Theft Expenses;
  - m. Image Restoration Counseling;
  - n. Key Individual Replacement Expenses;
  - o. Kidnap Expenses;
  - p. Political Unrest Coverage;
  - q. Temporary Meeting Space;
  - r. Terrorism Travel Reimbursement; or
  - s. Workplace Violence.

### E. Property Loss Conditions

#### 1. Abandonment

There can be no abandonment of any property to us.

## 2. Appraisal

If we and you disagree on the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

## 3. Duties In The Event Of Loss Or Damage

- a. You must see that the following are done in the event of loss or damage to Covered Property:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
- (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

- (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (8) Cooperate with us in the investigation or settlement of the claim.
- (9) Resume all or part of your "operations" as quickly as possible.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

## 4. Legal Action Against Us

No one may bring a legal action against us under this insurance unless:

- a. There has been full compliance with all of the terms of this insurance; and
- b. The action is brought within two years after the date on which the direct physical loss or damage occurred.

## 5. Limitation – Electronic Media And Records

We will not pay for any loss of Business Income caused by direct physical loss of or damage to Electronic Media and Records after the longer of:

- a. 60 consecutive days from the date of direct physical loss or damage; or
- b. The period, beginning with the date of direct physical loss or damage, necessary to repair, rebuild or replace with reasonable speed and similar quality, other property at the described premises due to loss or damage caused by the same occurrence.

Electronic Media and Records are:

- (1) Electronic data processing, recording or storage media such as films, tapes, discs, drums or cells;
- (2) Data stored on such media; or
- (3) Programming records used for electronic data processing or electronically controlled equipment.

**Example No. 1:**

A Covered Cause of Loss damages a computer on June 1. It takes until September 1 to replace the computer, and until October 1 to restore the data that was lost when the damage occurred. We will only pay for the Business Income loss sustained during the period June 1 – September 1. Loss during the period September 2 – October 1 is not covered.

**Example No. 2:**

A Covered Cause of Loss results in the loss of data processing programming records on August 1. The records are replaced on October 15. We will only pay for the Business Income loss sustained during the period August 1 – September 29 (60 consecutive days). Loss during the period September 30 – October 15 is not covered.

**6. Loss Payment**

In the event of loss or damage covered by this policy:

**a.** At our option, we will either:

- (1)** Pay the value of lost or damaged property;
- (2)** Pay the cost of repairing or replacing the lost or damaged property;
- (3)** Take all or any part of the property at an agreed or appraised value; or
- (4)** Repair, rebuild or replace the property with other property of like kind and quality.

**b.** We will give notice of our intentions within 30 days after we receive the sworn proof of loss.

**c.** We will not pay you more than your financial interest in the Covered Property.

**d.** Except as provided in Paragraphs **(2)** through **(7)** below, we will determine the value of Covered Property as follows:

**(1)** At replacement cost (without deduction for depreciation), subject to the following:

- (a)** You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so within 180 days after the loss or damage.

**(b)** We will not pay on a replacement cost basis for any loss or damage:

- i.** Until the lost or damaged property is actually repaired or replaced; and
- ii.** Unless the repairs or replacement is made as soon as reasonably possible after the loss or damage.

**(c)** We will not pay more for loss or damage on a replacement cost basis than the least of:

- i.** The cost to replace, on the same premises, the lost or damaged property with other property:

**(i)** Of comparable material and quality; and

**(ii)** Used for the same purpose; or

- ii.** The amount you actually spend that is necessary to repair or replace the lost or damaged property.

**(2)** If the Actual Cash Value – Buildings option applies, as shown in the Declarations, Paragraph **(1)** above does not apply to Buildings. Instead, we will determine the value of Buildings at actual cash value.

**(3)** The following property at actual cash value:

**(a)** Used or second-hand merchandise held in storage or for sale;

**(b)** Property of others; However, if an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or other applicable Limit Of Insurance.

**(c)** Household contents, except personal property in apartments or rooms furnished by you as landlord;

**(d)** Manuscripts; and

**(e)** Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac.

- (4) Glass at the cost of replacement with safety glazing material if required by law.
- (5) Tenants improvement and betterments at:
  - (a) Replacement cost if you make repairs promptly.
  - (b) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
    - ii. Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
    - ii. Divide the amount determined in i. above by the number of days from the installation of improvements to the expiration of the lease. If your lease contains a renewal option, period will replace the expiration of the lease in this procedure.
  - (c) Nothing if others pay for repairs or replacement.
- (6) Applicable only to Computer Fraud; Employee Dishonesty; Forgery Or Alteration; Money And Securities; and Money Orders And Counterfeit Paper Currency:
  - (a) "Money" at its face value; and
  - (b) "Securities" at their value at the close of business on the day the loss is discovered.
- (7) Applicable only to accounts receivable:
  - (a) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage:
    - i. We will determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and
    - ii. We will adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.
  - (b) The following will be deducted from the total amount of accounts receivable, however that amount is established:
    - i. The amount of the accounts for which there is no loss or damage;
    - ii. The amount of the accounts that you are able to reestablish or collect;
    - iii. An amount to allow for probable bad debts that you are normally unable to collect; and
    - iv. All unearned interest and service charges.
- e. Our payment for loss of or damage to personal property of others will only be for the account of the owners of the property. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners property. We will not pay the owners more than their financial interest in the Covered Property.
- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, provided you have complied with all of the terms of this policy, and
  - (1) We have reached agreement with you on the amount of loss; or
  - (2) An appraisal award has been made.



- h. A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you for the full value of the loss to the party wall, subject to all applicable policy provisions including Limits Of Insurance and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Transfer Of Rights Of Recovery Against Others To Us Condition of this policy.

## 8. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, you may retain the property. But then you must return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

## 9. Resumption Of Operations

We will reduce the amount of your:

- a. Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.
- b. Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

## 10. Vacancy

### a. Description Of Terms

- (1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in (a) and (b) below:

- (a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.
- (b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:
  - i. Rented to a lessee or sublessee and used by the lessee or sublessee to conduct its customary operations; and/or
  - ii. Used by the building owner to conduct customary operations.

- (2) Buildings under construction or renovation are not considered vacant.

## b. Vacancy Provisions

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

- (1) We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:
  - (a) Vandalism;
  - (b) Sprinkler leakage, unless you have protected the system against freezing;
  - (c) Building glass breakage;
  - (d) Water damage;
  - (e) Theft; or
  - (f) Attempted theft.
- (2) With respect to Covered Causes of Loss other than those listed in Paragraphs b.(1)(a) through b.(1)(f) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

## F. Property General Conditions

### 1. Control Of Property

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Form at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

## **2. Mortgageholders**

- a. The term "mortgageholder" includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this policy, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
  - (1) Pays any premium due under this policy at our request if you have failed to do so;
  - (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
  - (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this policy will then apply directly to the mortgageholder.

- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this policy:
  - (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
  - (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:

- (1) 10 days before the effective date of cancellation if we cancel for your non-payment of premium; or
- (2) 30 days before the effective date of cancellation if we cancel for any other reason.

- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

## **3. No Benefit To Bailee**

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

## **4. Policy Period, Coverage Territory**

Under this Coverage Form:

- a. We cover loss or damage commencing:
  - (1) During the policy period shown in the Declarations; and
  - (2) Within the coverage territory or, with respect to property in transit, while it is between points in the coverage territory.
- b. The coverage territory is:
  - (1) The United States of America (including its territories and possessions);
  - (2) Puerto Rico; and
  - (3) Canada.

## **G. Definitions**

- 1. "Board of Directors" means the governing body of the organization or corporation who is empowered by law to set the policies of the organization or corporation, and to elect and appoint managers, officers and agents to act on behalf of the organization or corporation.
- 2. "Communicable disease" means an illness, sickness, condition or an interruption or disorder of body functions, systems or organs that is transmissible by an infection or a contagion directly or indirectly through human contact or contact with human fluids, waste or similar agent, such as but not limited to Meningitis, Measles, or Legionnaire's Disease.
- 3. "Computer fraud" means loss of or damage to "money", "securities" and theft of "other property" resulting directly from the use of any computer to fraudulently cause a transfer of that property from inside the premises or banking premises to a person(s) (other than a messenger) outside those premises or to a place outside those premises.

4. "Conference" means a prearranged meeting or gathering of individuals for consultation, training, workshop, exchange of information or discussion with a formal agenda or a discussion among participants who have a predetermined topic or set of topics.
5. "Director" means a person(s) appointed or elected to a "Board of Directors", and who is, according to law, authorized to manage and direct the affairs of the corporation or company.
6. "Domestic Partner" means any person who qualifies as a domestic partner under the provisions of any federal, state or local statute or regulation, or under the terms and provisions of any employee benefit or other program established by the Named Insured.
7. "Electronic data" means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions, which direct the operations and functions of a "computer" or device connected to it, which enable the "computer" or device to receive, process, store, retrieve or send data.
8. "Failed Donation Claim" means written notice to the Insured during the Policy Period of:
  - (a) the bankruptcy or reorganization of any donor whereby such bankruptcy or reorganization prevents the donor from honoring a prior written pledge of funds or other measurable tangible property to the Insured; or
  - (b) the unemployment or incapacitation of a natural person donor preventing him/her from honoring a prior written pledge of funds or other measurable tangible property to the Insured.
9. "Fungi" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
10. "Intense pulse light" means a procedure or treatment that utilizes high intensity pulses of light used to remove hair, spider veins, varicose veins, birth marks, age spots, freckles, and other types of skin conditions. "Intense pulse light" does not include tanning beds.
11. "Manager" means a person serving in a directorial capacity for a limited liability company.
12. "Member" means an owner of a limited liability company represented by its membership interest, who also may serve as a "manager".
13. "Money" means:
  - a. Currency, coins and bank notes in current use and having a face value; and
  - b. Travelers checks, register checks and money orders held for sale to the public.
14. "Operations" means your business activities occurring at the described premises.
15. "Other property" means any tangible property other than "money" and "securities" that has intrinsic value. "Other Property" does not include computer programs, electronic data or any property specifically excluded under this insurance.
16. "Period of restoration" means the period of time that:
  - a. Begins with the date of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and
  - b. Ends on the earlier of:
    - (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
    - (2) The date when business is resumed at a new permanent location.
  - c. Does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:
    - (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
    - (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".
17. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.



18. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:

- a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
- b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include "money".

19. "Specified Causes of Loss" means the following:

Fire; lightning; explosion, windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.

- a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:

- (1) The cost of filling sinkholes; or
- (2) Sinking or collapse of land into man-made underground cavities.

- b. Falling objects does not include loss of or damage to:

- (1) Personal property in the open; or
- (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

- c. Water damage means:

- (1) Accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam; and
- (2) Accidental discharge or leakage of water or waterborne material as the direct result of the breaking apart or cracking of water or sewer pipe that is located off the described premises and is part of a municipal potable water supply system or municipal sanitary sewer system, if the breakage or cracking is caused by wear and tear.

But water damage does not include loss or damage otherwise excluded under the terms of the Water Exclusion. Therefore, for example, there is no coverage in the situation in which discharge or leakage of water results from the breaking apart or cracking of a pipe which was caused by or related to weather-induced flooding, even if wear and tear contributed to the breakage or cracking. As another example, and also in accordance with the terms of the Water Exclusion, there is no coverage for loss or damage caused by or related to weather-induced flooding which follows or is exacerbated by pipe breakage or cracking attributable to wear and tear.

To the extent that accidental discharge or leakage of water falls within the criteria set forth in **c.(1)** or **c.(2)** of this definition of "specified causes of loss", such water is not subject to the provisions of the Water Exclusion which preclude coverage for surface water or water under the ground surface.

20. "Theft" means the unlawful taking of property to the deprivation of the Insured.

21. "Unforeseeable Destruction" means damage resulting from a Certified Act of Terrorism, fire, crash or collapse which renders all of the Insured's primary location completely unusable.

22. "Valuable papers and records" means inscribed, printed, or written:

- a. Documents;
- b. Manuscripts; and
- c. Records;

including abstracts, books, deeds, drawings, films, maps or mortgages.

But "valuable papers and records" does not mean "money" or "securities".

23. "Water-borne pathogen" means a bacteria, virus or other microorganism that may be transmitted to humans by contaminated water and can cause an illness, sickness, condition, or an interruption or disorder of body functions, systems or organs.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EQUIPMENT BREAKDOWN COVERAGE**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM

### **SCHEDULE**

#### **Coverage**

Spoilage Limit \$ \$50,000

#### **Deductible**

Combined, All Coverages \$ \_\_\_\_\_

Direct Coverages \$ \_\_\_\_\_

Indirect Coverages \$ \_\_\_\_\_

or \_\_\_\_\_ Times Average Daily Value

**A. The following is added to Paragraph A.3. Covered Causes of Loss:**

**Additional Coverage – Equipment Breakdown**

The term Covered Cause of Loss includes the Additional Coverage Equipment Breakdown as described and limited below. Without an "accident" or "electronic circuitry impairment", there is no Equipment Breakdown Coverage.

1. We will pay for direct physical damage to Covered Property that is the direct result of an "accident" or "electronic circuitry impairment". We will consider "electronic circuitry impairment" to be physical damage to "covered equipment".
2. The following coverages also apply to the direct result of an "accident" or "electronic circuitry impairment". However, with respect to coverage **2.h. Service Interruption** below, and any Dependent Properties coverage provided by this policy, coverage will apply only to the direct result of an "accident" and will not apply to the direct result of an "electronic circuitry impairment". These coverages do not provide additional amounts of insurance.

**a. Business Income and Extra Expense**

- (1) Any insurance provided under the policy for Business Income or Extra Expense is extended to the coverage provided by this endorsement.
- (2) The most we will pay for loss or expense under this coverage is the applicable limit for Business Income and Extra Expense.

**b. Data Restoration**

- (1) We will pay for your reasonable and necessary cost to research, replace and restore lost "electronic data".
- (2) The most we will pay for loss or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, is \$25,000.

**c. Expediting Expenses**

- (1) With respect to your damaged Covered Property, we will pay the reasonable extra cost to:
  - (a) make temporary repairs; and
  - (b) expedite permanent repairs or permanent replacement.
- (2) The most we will pay for loss or expense under this coverage is \$25,000.

**d. Hazardous Substances**

- (1) We will pay for the additional cost to repair or replace Covered Property because of contamination by a "hazardous substance". This includes the additional expenses to clean up or dispose of such property.
- (2) This does not include contamination of "perishable goods" by refrigerant, including but not limited to ammonia, which is addressed in 2.i.(1)(b) below. As used in this coverage, additional costs mean those beyond what would have been payable under this Endorsement Breakdown Coverage had no "hazardous substance" been involved.
- (3) The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, is \$25,000.

**e. Off Premises Equipment Breakdown**

- (1) We will pay for physical damage to transportable "covered equipment" that, at the time of the "accident" or "electronic circuitry impairment", is not at a covered location. As respects this Off Premises Equipment Breakdown coverage only, the "accident" or "electronic circuitry impairment" may occur in any country except one in which the United States has imposed sanctions, embargoes or similar restrictions on the provision of insurance.

- (2) We will also pay for your reasonable and necessary cost to research, replace and restore lost "electronic data" contained within "covered equipment" as described under (1) above. This amount may not exceed the limit applicable to Data Restoration coverage.
- (3) The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, and Data Restoration as described in (2) above is the limit for Property Off-Premises coverage, shown in your policy.

**f. Public Relations**

- (1) This coverage only applies if you have sustained an actual loss of Business Income covered under this endorsement.
- (2) We will pay for your reasonable costs for professional services to create and disseminate communications, when the need for such communications arises directly from the interruption of your business. This communication must be directed to one or more of the following:
  - (a) The media;
  - (b) The public; or
  - (c) Your customers, clients or members.
- (3) Such costs must be incurred during the "period of restoration" or up to 30 days after the "period of restoration" has ended.
- (4) The most we will pay for loss or expense under this coverage is \$5,000.

**g. Resultant Damage to Animals**

- (1) Any insurance provided under the policy for "animals" is extended to the coverage provided by this endorsement.
- (2) The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, is \$25,000.

#### **h. Service Interruption**

- (1) Any insurance provided for Business Income, Extra Expense, Data Restoration or Spoilage is extended to apply to your loss, damage or expense caused by a failure or disruption of service. The failure or disruption of service must be caused by an "accident" to equipment, including overhead transmission lines, that is owned by a utility, landlord, a landlord's utility or other supplier who provides you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, Internet access, telecommunications services, "cloud computing services" wide area networks or data transmission. The equipment must meet the definition of "covered equipment" except that it is not Covered Property.
- (2) "Cloud computing services" must be provided by a professional provider with whom you have a contract.
- (3) With respect to the Data Restoration portion of this Service Interruption coverage, coverage will also apply to "data" stored in the equipment of a provider a of "cloud computing services".
- (4) Service interruption coverage will not apply unless the failure or disruption of service exceeds 24 hours immediately following the "accident". If the interruption exceeds 24 hours, coverage will begin at the time of the disruption, and the applicable deductible will apply.
- (5) The most we will pay in any "one equipment breakdown" for loss, damage or expense under this coverage is the applicable limit for Business Income, Extra Expense, Data Restoration or Spoilage.

#### **i. Spoilage**

- (1) We will pay for:
  - (a) Physical damage to "perishable goods" due to spoilage;
  - (b) Physical damage to "perishable goods" due to contamination from the release of refrigerant, including but not limited to ammonia;
  - (c) Any necessary expenses you incur to reduce the amount of loss under this coverage to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

- (2) If you are unable to replace the "perishable goods" before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the "perishable goods" at the time of the "accident" or "electronic circuitry impairment", less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Loss Payment Condition.
- (3) The most we will pay for loss, damage or expense under this coverage is \$50,000 unless otherwise shown in the Schedule.

#### **B. The following is added to Paragraph B. Exclusions:**

##### **Equipment Breakdown Exclusions**

All exclusions in the Businessowners Special Property Coverage Form apply except as modified below and to the extent that coverage is specifically provided by this endorsement.

1. As respects to this endorsement only, the last paragraph of Exclusion B.2.I. is deleted and replaced with the following:

But if an excluded cause of loss that is listed in 2.I.(1) through (7) results in an "accident" or "electronic circuitry impairment", we will pay for the loss, damage or expense cause by that "accident" or "electronic circuitry impairment".

2. The following exclusions are added:

- a. We will not pay for loss, damage or expense caused directly or indirectly by any of the following, whether or not caused by or resulting from an "accident" or "electronic circuitry impairment":

- (1) Fire, including smoke from a fire;
- (2) Explosion of gas or unconsumed fuel within the furnace or any boiler or fired vessel or within the passages from that furnace to the atmosphere;
- (3) Any other explosion, except as specifically covered under this endorsement;
- (4) Any earth movement, including but not limited to earthquake, subsidence, sink-hole collapse, landslide, earth sinking, tsunami or volcanic action;

- (5) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not; mudslide or mudflow; or water that backs up or overflows from a sewer, drain or sump. However, if electrical "covered equipment" requires drying out because of the above, we will pay for the direct expenses of such drying out subject to the applicable Limit of Insurance and deductible for Building or Business Personal Property, whichever applies;
  - (6) Vandalism;
  - (7) Your failure to use all reasonable means to protect Covered Property from damage following an "accident" or "electronic circuitry impairment".
- b. Coverage under this endorsement does not apply to an "accident" or "electronic circuitry impairment" caused by or resulting from:
- (1) Lightning;
  - (2) Windstorm or hail. However, this exclusion does not apply when:
    - (a) "Covered equipment" located within a building or structure suffers an "accident" or "electronic circuitry impairment" that results from wind-blown rain, snow, sand or dust; and
    - (b) The building or structure did not first sustain wind or hail damage to its roof or walls through which the rain, snow, sand or dust entered.
  - (3) Smoke; aircraft or vehicles; riot or civil commotion; sprinkler leakage; elevator collision;
  - (4) Breakage of glass; falling objects; weight of snow, ice or sleet; freezing (caused by cold weather); collapse or molten material;
  - (5) A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel, or an electrical insulation breakdown test of any type of electrical equipment; or
  - (6) Water or other means used to extinguish a fire.
- c. With respect to Business Income, Extra Expense and Service Interruption coverages, we will also not pay for:
- (1) Loss caused by your failure to use due diligence and dispatch and all reasonable means to resume business; or
  - (2) Any increase in loss resulting from an agreement between you and your customer or supplier.
- d. We will not pay for loss, damage or expense caused directly or indirectly by the following, whether or not caused by or resulting from an "accident" or "electronic circuitry impairment": Any "fungi", wet rot or dry rot, including and presence, growth, proliferation, spread or any activity of "fungi", wet rot or dry rot. This includes but is not limited to, costs arising from clean up, removal, or abatement of such "fungi", wet rot or dry rot. However, this exclusion does not apply to spoilage of personal property that is "perishable goods", to the extent that such spoilage is covered under Spoilage coverage.
- e. Exclusions **2.b.(1)**, **2.b.(2)**, **2.b.(3)** and **2.b.(4)** above shall not apply if:
- (1) The excluded cause of loss occurs away from any covered location and causes an electrical surge or other electrical disturbance;
  - (2) Such surge or disturbance is transmitted through utility service transmission lines to the covered location and results in an "accident" or "electronic circuitry impairment"; and
  - (3) The loss, damage or expense caused by such surge or disturbance is not covered elsewhere under this policy.

#### C. Deductible

The deductible in the Declarations applies unless a separate Equipment Breakdown deductible is shown in the Schedule. If a separate Equipment Breakdown deductible is shown, the following applies.

Only as regards Equipment Breakdown Coverage, provision **D. Deductibles** is deleted and replaced with the following:

##### 1. Deductibles for Each Coverage

- a. Unless the Schedule indicates that your deductible is combined for all coverages, multiple deductibles may apply to any "one equipment breakdown".
- b. We will not pay for loss, damage or expense under any coverage until the amount of the covered loss, damage or expense exceeds the deductible amount indicated for that coverage in the Schedule. We will then pay the amount of loss, damage or expense in excess of the applicable deductible amount, subject to the applicable limit.



- c. If deductibles vary by type of "covered equipment" and more than one type of "covered equipment" is involved in any "one equipment breakdown", only the highest deductible for each coverage will apply.

## 2. Direct and Indirect Coverages

- a. Direct Coverages Deductibles and Indirect Coverages Deductibles may be indicated in the Schedule.
- b. Unless more specifically indicated in the Schedule:
  - (1) Indirect Coverages Deductibles apply to Business Income and Extra Expense loss; and
  - (2) Direct Coverages Deductibles apply to all remaining loss, damage or expense covered by this endorsement.

## 3. Application of Deductibles

### a. Dollar Deductibles

We will not pay for loss, damage or expense resulting from any "one equipment breakdown" until the amount of loss, damage or expense exceeds the applicable deductible shown in the Schedule. We will then pay the amount of loss, damage or expense in excess of the applicable deductible or deductibles, up to the applicable Limit of Insurance.

### b. Multiple of Average Daily Value (ADV)

If a deductible is expressed as a number times ADV, that amount will be calculated as follows:

The ADV(Average Daily Value) will be the Business Income (as defined in any Business Income coverage that is part of this policy) that would have been earned during the period of interruption of business had no "accident" or "electronic circuitry impairment" occurred, divided by the number of working days in that period. No reduction shall be made for the Business Income not being earned, or in the number of working days, because of the "accident" or "electronic circuitry impairment" or any other scheduled or unscheduled shutdowns during the period of interruption.

The ADV applies to the Business Income value of the entire location, whether or not the loss affects the entire location. If more than one location is included in the valuation of the loss, the ADV will be the combined value of all affected locations. For purposes of this calculation, the period of interruption may not extend beyond the "period of restoration".

The number indicated in the Schedule will be multiplied by the ADV as determined above. The result shall be used as the applicable deductible.

## D. Conditions

- 1. The following conditions are in addition to the Conditions in the Businessowners Special Property Coverage Form.

### a. Suspension

Whenever "covered equipment" is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an "accident" or "electronic circuitry impairment" to that "covered equipment". This can be done by mailing or delivering a written notice of suspension to:

- (1) your last known address; or
- (2) the address where the "covered equipment" is located.

Once suspended in this way, your insurance can be reinstated only by an endorsement for that "covered equipment". If we suspend your insurance, you will get a pro rata refund of premium for that "covered equipment" for the period of suspension. But the suspension will be effective even if we have not yet made or offered a refund.

### b. Jurisdictional Inspections

If any property that is "covered equipment" under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.

- 2. As respects this endorsement only. Loss Payment Condition 6.d. in the Businessowners Special Property Coverage Form is deleted and replaced with the following:

### a. We will determine the value of Covered Property as follows:

- (1) Except as specified otherwise, our payment for damaged Covered Property will be the smallest of:
  - (a) The cost to repair the damaged property;
  - (b) The cost to replace the damaged property on the same site; or
  - (c) The amount you actually spend that is necessary to repair or replace the damaged property.

- (2) The amount of our payment will be based on the most cost-effective means to replace the function, capacity and remaining useful life of the damaged property. This may include the use of generic, used or reconditioned parts, equipment or property.
- (3) Except as described in (4) below, you must pay the extra cost of replacing damaged property with property of a better kind or equality or of a different size or capacity.
- (4) Environmental, Safety and Efficiency Improvements.

If "covered equipment" requires replacement due to an "accident" or "electronic circuitry impairment", we will pay your additional cost to replace with equipment that is better for the environment, safer for people or more energy or water efficient than the equipment being replaced. However, we will not pay to increase the size or capacity of the equipment and we will not pay more than 150% of what the cost would have been to replace with like kind and quality. This provision does not apply to the replacement of component parts or to any property to which Actual Cash Value applies and does not increase any of the applicable limits.

- (5) The following property will be valued on an Actual Cash Value basis:
  - (a) Any property that does not currently serve a useful or necessary function for you; and
  - (b) Any Covered Property that you do not repair or replace within 24 months after the date of the "accident" or "electronic circuitry impairment".

Actual Cash Value includes deductions for depreciation.

- (6) If any one of the following conditions is met, property held for sale by you will be valued at the sales price as if no loss or damage had occurred, less any discounts and expenses that otherwise would have applied:
  - (a) The property was manufactured by you;
  - (b) The sales price of the property is less than the replacement cost of the property; or
  - (c) You are unable to replace the property before its anticipated sale.

- (7) Except as specifically provided for under Date Restoration coverage, "electronic data" and "media" will be valued on the following basis:

- (a) For mass-produced and commercially available software, at the replacement cost.
- (b) For all other "electronic data" and "media", at the cost of blank "media" for reproducing the records. We will not pay for "data" representing financial records based on the face value of such records.

#### E. Definitions

The following are added to with respect to this endorsement only:

##### 1. "Accident:

- a. "Accident" means a fortuitous event that causes direct physical damage to "covered equipment". The event must be one of the following:

- (1) Mechanical breakdown, including rupture or bursting caused by centrifugal force;
- (2) Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
- (3) Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
- (4) Loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
- (5) Loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.

##### b. None of the following is an "accident":

- (1) Defect, programming error, programming limitation, computer virus, malicious code, loss of "data", loss of access, loss of use, loss of functionality or other condition within or involving "data" or "media" of any kind; or
- (2) Misalignment, miscalibration, tripping off-line, or any condition which can be corrected by resetting, tightening, adjusting or cleaning, or by the performance of maintenance.

However, if an "accident" results, we will pay for the resulting loss, damage or expense caused by that "accident".



2. "Animal" means any creature of the kingdom Animalia. This includes, but is not limited to amphibians, birds, fish, insects, mammals, reptiles, and worms.

3. "Boilers and vessels" means:

- a. Any boiler, including attached steam, condensate and feedwater piping; and
- b. Any fired or unfired pressure vessel subject to vacuum or internal pressure other than the static pressure of its contents.

This term does not appear elsewhere in this endorsement, but may appear in the above Schedule.

4. "Cloud computing services" means professional, on-demand, self-service data storage or data processing services provided through the Internet or over telecommunications lines. This includes services known as IaaS (infrastructure as a service), PaaS (platform as a service), SaaS (software as a service), and NaaS (network as a service). This includes business models known as public clouds, community clouds and hybrid clouds. "Cloud computing services" include private clouds if such services are owned and operated by a third party.

5. "Covered equipment"

a. "Covered equipment" means Covered Property:

- (1) That generates, transmits or utilizes energy;
- (2) Which, during normal usage, operates under vacuum or pressure, other than the weight of its contents; or
- (3) If your lease requires you to maintain it, air conditioning and heating equipment that is part of the building or structure you occupy but do not own.

"Covered equipment" may utilize conventional design and technology or new or newly commercialized design and technology.

b. None of the following is "covered equipment":

- (1) Structure, foundation, cabinet or compartment;
- (2) Insulating or refractory material;
- (3) Sewer piping, buried vessels or piping, or piping forming a part of a sprinkler or fire suppression system;
- (4) Water piping other than boiler feedwater piping, boiler condensate return piping, or water piping forming a part of a refrigerating or air conditioning system;

(5) "Vehicle" or any equipment mounted on a "vehicle";

(6) Satellite, spacecraft or any equipment mounted on a satellite or spacecraft;

(7) Dragline, excavation or construction equipment; or

(8) Equipment manufactured by you for sale.

6. "Electronic circuitry" means microelectronic components, including but not limited to circuit boards, integrated circuits, computer chips and disk drives.

7. "Electronic circuitry impairment"

a. "Electronic circuitry impairment" means a fortuitous event involving "electronic circuitry" within "covered equipment" that causes the "covered equipment" to suddenly lose its ability to function as it had been functioning immediately before such event. This definition is subject to the conditions specified in b., c. and d. below.

b. We shall determine that the reasonable and appropriate remedy to restore such "covered equipment's" ability to function is the replacement of one or more "electronic circuitry" components of the "covered equipment".

c. The "covered equipment" must be owned or leased by you, or operated under your control.

d. None of the following is an "electronic circuitry impairment":

(1) Any condition that can be reasonably remedied by:

(a) Normal maintenance, including but not limited to replacing expendable parts, recharging batteries or cleaning;

(b) Rebooting, reloading or updating software or firmware; or

(c) Providing necessary power or supply.

(2) Any condition caused by or related to:

(a) Incompatibility of the "covered equipment" with any software or equipment installed, introduced or networked within the prior 30 days; or

(b) Insufficient size, capability or capacity of the "covered equipment".

- (3) Exposure to adverse environmental conditions, including but not limited to change in temperature or humidity, unless such conditions result in an observable loss of functionality. Loss of warranty shall not be considered an observable loss of functionality.
8. "Hazardous substance" means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.
9. "Media" means material on which "data" is recorded, such as solid state drives, hard disks, optical disks, flash drives, magnetic tapes or floppy disks.
10. "One equipment breakdown" means: If an initial "accident" or "electronic circuitry impairment" causes other "accidents" or "electronic circuitry impairments", all will be considered "one equipment breakdown". All "accidents" or "electronic circuitry impairments" that are the result of the same "accident" or "electronic circuitry impairment" will be considered "one equipment breakdown".
11. "Perishable goods" means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.

12. "Vehicle" means, as respects this endorsement only, any machine or apparatus that is used for transportation or moves under its own power. "Vehicle" includes, but is not limited to, car, truck, bus, trailer, train, aircraft, watercraft, forklift, bulldozer, tractor or harvester.

However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power source will not be considered a "vehicle".

The most we will pay for loss, damage or expense under this endorsement arising from any "one equipment breakdown" is the applicable Limit of Insurance in the Declarations unless otherwise shown in the Schedule. Coverage provided under this endorsement does not provide an additional amount of insurance.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ADDITIONAL INSURED ENDORSEMENT**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM  
COMMERCIAL PROPERTY COVERAGE PART

### **SCHEDULE**

<b>Name of Person or Organization</b> Andrikides Land Company, LLC
<b>Address</b> 19450 Pierson Dr, Northville, MI 48167-2639
<b>Interest</b> Building
<b>Location of Designated Premises</b> Location 1 - Building 1

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

The following is added to the LOSS PAYMENT Loss Condition:

For Covered Property in which both you and an Additional Insured shown in the Schedule or in the Declarations have an insurable interest, we will:

1. Adjust losses with you; and
2. Pay any claim for loss or damage jointly to you and the Additional Insured, as interests may appear.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ADDITIONAL INSURED ENDORSEMENT**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM  
COMMERCIAL PROPERTY COVERAGE PART

### **SCHEDULE**

<b>Name of Person or Organization</b> Triplelynn Properties, LLC
<b>Address</b> 45050 Warren Rd, Canton, MI 48187-1829
<b>Interest</b> Building owner
<b>Location of Designated Premises</b> Location 2 - Building 1

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

The following is added to the LOSS PAYMENT Loss Condition:

For Covered Property in which both you and an Additional Insured shown in the Schedule or in the Declarations have an insurable interest, we will:

1. Adjust losses with you; and
2. Pay any claim for loss or damage jointly to you and the Additional Insured, as interests may appear.

# ADDITIONAL INTEREST NAME EXTENSION

An Additional Interest that requires additional space to display the complete name is shown in the schedule of this endorsement.

## SCHEDULE

### Form Applicable to Additional Interest:

BP1203 Loss Payable Provisions

### Additional Interest Name:

Advanced Acceptance DBA First Western Bank and Trust

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## LOSS PAYABLE PROVISIONS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY

### SCHEDULE

<b>Premises Number:</b> 1	<b>Building Number:</b> 1	<b>Applicable Clause</b> (A) <b>(Indicate Paragraph A, B, or C):</b>
<b>Description Of Property:</b> Business Personal Property  <b>Loss Payee Name:</b> Advanced Acceptance DBA First Western Bank and Trust  <b>Loss Payee Address:</b> 100 Prairie Center Dr Eden Prairie, MN 55344-5452		
<b>Premises Number:</b> 1	<b>Building Number:</b> 1	<b>Applicable Clause</b> (A) <b>(Indicate Paragraph A, B, or C):</b>
<b>Description Of Property:</b> Business Personal Property  <b>Loss Payee Name:</b> Comerica Bank ISAOA  <b>Loss Payee Address:</b> PO Box 863299 Plano, TX 75086		
<b>Premises Number:</b> 2	<b>Building Number:</b> 1	<b>Applicable Clause</b> (A) <b>(Indicate Paragraph A, B, or C):</b>
<b>Description Of Property:</b> Business Personal Property  <b>Loss Payee Name:</b> Comerica Bank ISAOA  <b>Loss Payee Address:</b> PO Box 863299 Plano, TX 75086		
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

The following is added to the Businessowners Property Coverage Form LOSS PAYMENT Loss Condition, as shown in the Declarations or by an "A," "B" or "C" in the Schedule:

#### A. LOSS PAYABLE

For Covered Property in which both you and a Loss Payee shown in the Schedule or in the Declarations have an insurable interest, we will:

1. Adjust losses with you; and
2. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.

#### B. LENDER'S LOSS PAYABLE

1. The Loss Payee shown in the Schedule or in the Declarations is a creditor (including a mortgageholder or trustee) with whom you have entered a contract for the sale of Covered Property, whose interest in that Covered Property is established by such written contracts as:

- a. Warehouse receipts;
- b. A contract for deed;
- c. Bills of lading; or
- d. Financing statements.

West Bend Mutual Insurance Company  
West Bend, Wisconsin 53095

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**2. For Covered Property in which both you and a Loss Payee have an insurable interest:**

- a.** We will pay for covered loss or damage to each Loss Payee in their order of precedence, as interests may appear.
- b.** The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure for similar action on the Covered Property.
- c.** If we deny your claim because of your acts or because you have failed to comply with the terms of this policy, the Loss Payee will still have the right to receive loss payment if the Loss Payee:

- (1)** Pays any premium due under this policy at our request if you have failed to do so;
- (2)** Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- (3)** Has notified us of any change in ownership, occupancy or substantial change in risk known to the Loss Payee.

All of the terms of the Businessowners Property Coverage Form will then apply directly to the Loss Payee.

- d.** If we pay the Loss Payee for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this policy:

- (1)** The Loss Payee's rights will be transferred to us to the extent of the amount we pay; and
- (2)** The Loss Payee's right to recover the full amount of the Loss Payee's claim will not be impaired.

At our option, we may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, you will pay your remaining debt to us.

**3. If we cancel this policy, we will give written notice to the Loss Payee at least:**

- a.** 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
- b.** 30 days before the effective date of cancellation if we cancel for any other reason.

**4. If we do not renew this policy, we will give written notice to the Loss Payee at least 10 days before the expiration date of this policy.**

**C. CONTRACT OF SALE**

- 1.** The Loss Payee shown in the Schedule or in the Declarations is a person or organization you have entered a contract with for the sale of Covered Property.
- 2.** For Covered Property in which both you and the Loss Payee have an insurable interest, we will:

- a.** Adjust losses with you; and
- b.** Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.

**3. The following is added to the OTHER INSURANCE Businessowners Common Policy Condition:**

For Covered Property that is the subject of a contract of sale, the word "you" includes the Loss Payee.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## LOSS PAYABLE PROVISIONS

This endorsement modifies insurance provided under the following:  
BUSINESSOWNERS POLICY

### SCHEDULE

<b>Premises Number:</b> 2	<b>Building Number:</b> 1	<b>Applicable Clause</b> (Indicate Paragraph A, B, or C): (A)
<b>Description Of Property:</b> Business Personal Property  <b>Loss Payee Name:</b> Millennium Business Systems  <b>Loss Payee Address:</b> PO Box 979280 Miami, FL 33197		
<b>Premises Number:</b>	<b>Building Number:</b>	<b>Applicable Clause</b> (Indicate Paragraph A, B, or C):
<b>Description Of Property:</b>  <b>Loss Payee Name:</b>  <b>Loss Payee Address:</b>		
<b>Premises Number:</b>	<b>Building Number:</b>	<b>Applicable Clause</b> (Indicate Paragraph A, B, or C):
<b>Description Of Property:</b>  <b>Loss Payee Name:</b>  <b>Loss Payee Address:</b>		
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

The following is added to the Businessowners Property Coverage Form LOSS PAYMENT Loss Condition, as shown in the Declarations or by an "A," "B" or "C" in the Schedule:

#### A. LOSS PAYABLE

For Covered Property in which both you and a Loss Payee shown in the Schedule or in the Declarations have an insurable interest, we will:

1. Adjust losses with you; and
2. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.

#### B. LENDER'S LOSS PAYABLE

1. The Loss Payee shown in the Schedule or in the Declarations is a creditor (including a mortgageholder or trustee) with whom you have entered a contract for the sale of Covered Property, whose interest in that Covered Property is established by such written contracts as:

- a. Warehouse receipts;
- b. A contract for deed;
- c. Bills of lading; or
- d. Financing statements.

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West Bend, Wisconsin 53095

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**2. For Covered Property in which both you and a Loss Payee have an insurable interest:**

- a.** We will pay for covered loss or damage to each Loss Payee in their order of precedence, as interests may appear.
- b.** The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure for similar action on the Covered Property.
- c.** If we deny your claim because of your acts or because you have failed to comply with the terms of this policy, the Loss Payee will still have the right to receive loss payment if the Loss Payee:

- (1)** Pays any premium due under this policy at our request if you have failed to do so;
- (2)** Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- (3)** Has notified us of any change in ownership, occupancy or substantial change in risk known to the Loss Payee.

All of the terms of the Businessowners Property Coverage Form will then apply directly to the Loss Payee.

- d.** If we pay the Loss Payee for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this policy:
  - (1)** The Loss Payee's rights will be transferred to us to the extent of the amount we pay; and
  - (2)** The Loss Payee's right to recover the full amount of the Loss Payee's claim will not be impaired.

At our option, we may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, you will pay your remaining debt to us.

- 3.** If we cancel this policy, we will give written notice to the Loss Payee at least:
  - a.** 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
  - b.** 30 days before the effective date of cancellation if we cancel for any other reason.
- 4.** If we do not renew this policy, we will give written notice to the Loss Payee at least 10 days before the expiration date of this policy.

**C. CONTRACT OF SALE**

- 1.** The Loss Payee shown in the Schedule or in the Declarations is a person or organization you have entered a contract with for the sale of Covered Property.
- 2.** For Covered Property in which both you and the Loss Payee have an insurable interest, we will:
  - a.** Adjust losses with you; and
  - b.** Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.
- 3.** The following is added to the OTHER INSURANCE Businessowners Common Policy Condition:

For Covered Property that is the subject of a contract of sale, the word "you" includes the Loss Payee.

**Businessowners Liability Coverage Declarations**

**Customer Number:** 0110398633

**Policy Number:** 1364094 09

**Policy Period:** 08/23/2019 to 08/23/2020

at 12:01 AM Standard Time at Your Mailing Address Shown Below

**Named Insured and Address:**

Paradigm Care & Enrichment Center, LLC  
1401 Malcolm Dr  
Waterford, MI 48327-4186

**Agency Name and Address:**

DOEREN MAYHEW INSURANCE GROUP  
305 W BIG BEAVER RD., STE 102  
TROY, MI 48084  
248-290-0650

21987

Insured is a(n) Limited Liability Company

**Limits of Insurance**

General Aggregate Limit (other than Products/Completed Operations)	\$2,000,000
Products/Completed Operations Aggregate Limit	\$2,000,000
Each Occurrence Limit	\$1,000,000
Personal and Advertising Injury Liability Limit	\$1,000,000
Damage to Premises Rented to You Limit	\$300,000
Medical Expense Limit, Any One Person	\$10,000

See attached Forms Schedule for forms and endorsements applicable to this coverage.

### Businessowners Liability Classification Schedule

**Customer Number:** 0110398633

**Policy Number:** 1364094 09

**Policy Period:** 08/23/2019 to 08/23/2020

at 12:01 AM Standard Time at Your Mailing Address Shown Below

**Named Insured and Address:**

Paradigm Care & Enrichment Center, LLC  
1401 Malcolm Dr  
Waterford, MI 48327-4186

**Agency Name and Address:**

DOEREN MAYHEW INSURANCE GROUP  
305 W BIG BEAVER RD., STE 102  
TROY, MI 48084  
248-290-0650

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### Businessowners Liability Classifications

Loc	Class Code	Description	Exposure	Premium Basis	Rate	Premium	Coverage
1	70046	LICENSED DAYCARE OPERATIONS (1-5)CHILDREN	1	Licensed	138.896 Included	\$139 Included	Prem/Ops Prod/Co
1	70047	LICENSED DAYCARE OPERATIONS -EACH ADDITIONAL CHILD	95	Licensed	12.034 Included	\$1,143 Included	Prem/Ops Prod/Co
2	70047	LICENSED DAYCARE OPERATIONS -EACH ADDITIONAL CHILD	63	Licensed	12.034 Included	\$758 Included	Prem/Ops Prod/Co

**Businessowners Liability Endorsements and Miscellaneous Premiums**

**Customer Number:** 0110398633

**Policy Number:** 1364094 09

**Policy Period:** 08/23/2019 to 08/23/2020

at 12:01 AM Standard Time at Your Mailing Address Shown Below

**Named Insured and Address:**

Paradigm Care & Enrichment Center, LLC  
1401 Malcolm Dr  
Waterford, MI 48327-4186

**Agency Name and Address:**

DOEREN MAYHEW INSURANCE GROUP  
305 W BIG BEAVER RD., STE 102  
TROY, MI 48084  
248-290-0650

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**Additional Insureds**

Description	Form Number	Premium
Additional Insured - Managers or Lessors of Premises	BP0402	\$0
Additional Insured - Managers or Lessors of Premises	BP0402	\$0

**Endorsements**

Description	Form Number	Premium
Physical Abuse and Sexual Molestation Liability	NS0024	\$610

**Miscellaneous Premiums**

Description	Form Number	Premium
Terrorism Risk Insurance Act		\$0

Total Businessowners Liability Premium: \$2,650.00



### Businessowners Liability Forms Schedule

**Customer Number:** 0110398633

**Policy Number:** 1364094 09

**Policy Period:** 08/23/2019 to 08/23/2020

at 12:01 AM Standard Time at Your Mailing Address Shown Below

**Named Insured and Address:**

Paradigm Care & Enrichment Center, LLC  
1401 Malcolm Dr  
Waterford, MI 48327-4186

**Agency Name and Address:**

DOEREN MAYHEW INSURANCE GROUP  
305 W BIG BEAVER RD., STE 102  
TROY, MI 48084  
248-290-0650

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### Forms Schedule

Number	Edition	Description
BP0514	0103	WAR LIABILITY EXCLUSION
NS0015	0819	CHILD CARE PROFESSIONAL LIABILITY
NS0024	0510	PHYSICAL ABUSE AND SEXUAL MOLESTATION LIABILITY ENDORSEMENT (SBOP)
NS0162	1111	EXCESS PROVISION
NS0202	0118	BUSINESSOWNERS LIABILITY COVERAGE FORM
NS0274	0708	LIMITED FUNGI COVERAGE (LIABILITY)
NS0433	0118	EXCLUSION - UNMANNED AIRCRAFT
WB1669A	1197	TOTAL POLLUTION EXCLUSION WITH A HOSTILE FIRE EXCEPTION
WB1958A	0494	EXCLUSION - LEAD LIABILITY
BP0402	0187	ADDITIONAL INSURED - MANAGERS OR LESSORS OF PREMISES
BP0412	0187	LIMITATION OF COVERAGE TO DESIGNATED PREMISES OR PROJECT
BP0417	0196	EMPLOYMENT-RELATED PRACTICES EXCLUSION
WB2109	0118	PLUS PAK - BUSINESSOWNERS LIABILITY
NS0010GL	0414	EXCLUSION - DESCRIBED HAZARDS CATS AND DOGS
NS0016	0499	ABDUCTION ENDORSEMENT

**Businessowners Liability Forms Schedule**

**Customer Number:** 0110398633

**Policy Number:** 1364094 09

**Policy Period:** 08/23/2019 to 08/23/2020

at 12:01 AM Standard Time at Your Mailing Address Shown Below

**Named Insured and Address:**

Paradigm Care & Enrichment Center, LLC  
1401 Malcolm Dr  
Waterford, MI 48327-4186

**Agency Name and Address:**

DOEREN MAYHEW INSURANCE GROUP  
305 W BIG BEAVER RD., STE 102  
TROY, MI 48084  
248-290-0650

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**Forms Schedule**

Number	Edition	Description
WB1468GL	0414	EXCLUSION - ASBESTOS OR ASBESTOS PRODUCTS
NS0275	0205	PROFESSIONAL LICENSE REVIEW EXPENSE ENDORSEMENT
NS0021GL	0414	EXCLUSION - TRAMPOLINES
NS0059GL	0414	EXCLUSION - WATER ACTIVITIES
NS0446	0118	EXCLUSION - ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION AND DATA-RELATED LIABILITY - WITH LIMITED BODILY INJURY EXCEPTION

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **WAR LIABILITY EXCLUSION**

This endorsement modifies insurance provided under the following:

### **BUSINESSOWNERS COVERAGE FORM**

The following provisions are added to the Businessowners Liability Coverage Form **BP 00 06** and **Section II – Liability** of the Businessowners Coverage Form **BP 00 03**:

**A. Exclusion i. under Paragraph B.1., Exclusions – Applicable To Business Liability Coverage** is replaced by the following:

**1. Applicable To Business Liability Coverage**

This insurance does not apply to:

**i. War**

"Bodily injury", "property damage", "personal injury", "advertising injury" or "personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (1)** War, including undeclared or civil war; or
- (2)** Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

- (3)** Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**B. Exclusion h. under Paragraph B.2. Exclusions – Applicable To Medical Expenses Coverage** does not apply. Medical Expenses due to war are now subject to Exclusion **g.** of Paragraph **B.2.** since "bodily injury" arising out of war is now excluded under Paragraph **B.1., Exclusions – Applicable To Business Liability Coverage.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CHILD CARE PROFESSIONAL LIABILITY**

This endorsement modifies insurance provided under the following:

### **BUSINESSOWNERS POLICY**

The Businessowners Liability Coverage Form is amended as follows:

**A.** Paragraph A. Coverages also applies to "bodily injury", "property damage", "personal injury", "advertising injury" or other injury arising out of the rendering of or failure to render professional services in connection with the operation of the insured's business as a child care provider.

**B.** Paragraph **1.b.** of **Exclusions** is replaced by the following:

This insurance does not apply to:

**b.** "Bodily injury", "property damage", "personal injury", "advertising injury" or other injury for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

**C.** Paragraph 1.j. of Exclusions is deleted.

**D.** The following is added to Exclusions:

This insurance does not apply to "bodily injury", "property damage", "personal injury", "advertising injury" or other injury arising out of:

A criminal act including but not limited to fraud committed by the insured or any person for whom the insured is legally responsible.

**E.** Paragraph **2.a.(1)(c)** under **Paragraph C. Who Is An Insured** is replaced by the following:

**(c)** Arising out of his or her providing or failing to provide professional care services. However, your "employees" are insured with respect to their providing or failing to provide services as a child care provider in connection with your business.

**F.** Paragraph **2.e.(1)(d)** under **Paragraph C. Who Is An Insured** is replaced by the following:

**(d)** Arising out of his or her providing or failing to provide professional care services. However, your volunteer workers are insured with respect to their providing or failing to provide services as a child care provider in connection with your business.

**G.** Paragraph **D.2. of Liability And Medical Expenses Limits of Insurance** is replaced by the following:

**2.** The most we will pay for the sum of all damages because of all:

**a.** "Bodily injury", "property damage" and medical expenses arising out of any one "occurrence";

**b.** "Personal injury" and "advertising injury" sustained by any one person or organization; and

**c.** Other injury arising out of any one "occurrence";

Is the Liability and Medical Expenses limit shown in the Declarations. But the most we will pay for all medical expenses because of "bodily injury" sustained by any one person is the Medical Expenses limit shown in the Declarations.

**H.** For the coverage provided by this endorsement, the definition of "occurrence" in Paragraph **F. Liability and Medical Expenses Definitions** is amended to include any act or omission arising out of the rendering of or failure to render services as a child care provider.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **PHYSICAL ABUSE AND SEXUAL MOLESTATION LIABILITY ENDORSEMENT**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY

### **A. Coverage**

#### **1. Insuring Agreement**

We will pay those sums the insured becomes legally obligated to pay as damages because of "physical abuse", "mental injury" or "sexual molestation" arising out of the negligent:

- (a) employment;
- (b) investigation;
- (c) supervision;
- (d) reporting to the proper authorities, or failure to so report; or
- (e) retention of any person for whom the insured is legally responsible.

#### **2. Exclusions**

This insurance does not apply to any person who:

- (a) committed or attempted to commit;
- (b) participated in;
- (c) directed;
- (d) knowingly allowed; or
- (e) failed to take action to prevent recurrence after having knowledge of;

any act of "physical abuse", "mental injury" or "sexual molestation". We will defend any insured accused of such conduct until our investigation determines that the accusation is correct.

### **B. Limits of Insurance**

The limits of insurance shown in the Declarations is the most we will pay regardless of the number of:

- 1. Insureds;
- 2. Claims submitted or suits brought; or
- 3. Persons or organizations making claims or bringing suits.

Multiple incidents of "physical abuse", "mental injury" or "sexual molestation" to one person shall be deemed to be one occurrence and shall be subject to the limits in effect at the time of the first incident even if some of such incidents take place after the expiration of the policy.

We shall not be obligated to undertake nor continue to defend any claim or suit after our limit of insurance is exhausted by payments for damages.

Payment under this coverage shall be included in the Aggregate Limit as stated in Section D. Liability And Medical Expense Limits of Insurance. All other provisions of Section D. Liability And Medical Expense Limits of Insurance do not apply to coverage defined in this endorsement.

### **C. Definitions:**

- 1. "Sexual molestation" means any actual or alleged act, touching, or caressing or suggestion thereof which could be considered sexual and/or inappropriate.
- 2. "Mental injury" means mental anguish, emotional distress or humiliation.
- 3. "Physical abuse" means physical mistreatment, the improper or excessive touching, handling or treatment of a person including excessive force and harsh insulting language.

All other terms, conditions and exclusions remain unchanged and applicable to this endorsement.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCESS PROVISION**

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS POLICY**

Items **1.** and **2.** under Paragraph **H., Other Insurance** of **Businessowners Common Policy Conditions** are replaced by the following:

This insurance is excess over any other insurance, whether primary, excess, contingent or on any other basis.



# BUSINESSOWNERS LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section C – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section F – Liability And Medical Expenses Definitions.

## A. Coverages

### 1. Business Liability

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury", "property damage", "personal injury" or "advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury", "property damage", "personal injury", or "advertising injury" to which this insurance does not apply. We may at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section D – Liability And Medical Expenses Limits Of Insurance; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements or medical expenses.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Coverage Extension – Supplementary Payments.

- b. This insurance applies:

- (1) To "bodily injury" and "property damage" only if:
  - (a) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and
  - (b) The "bodily injury" or "property damage" occurs during the policy period.

- (2) To:

- (a) "Personal injury" caused by an offense arising out of your business, excluding advertising, publishing, broadcasting or telecasting done by or for you;
- (b) "Advertising injury" caused by an offense committed in the course of advertising your goods, products or services;

but only if the offense was committed in the "coverage territory" during the policy period.

- c. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

### d. Coverage Extension – Supplementary Payments

In addition to the Limit of Insurance we will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

- (1) All expenses we incur.
- (2) Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Business Liability Coverage for "bodily injury" applies. We do not have to furnish these bonds.
- (3) The cost of bonds to release attachments, but only for bond amounts within our Limit of Insurance. We do not have to furnish these bonds.
- (4) All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- (5) All costs taxed against the insured in the "suit".
- (6) Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- (7) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within our Limit of Insurance.

West Bend Mutual Insurance Company

West Bend, Wisconsin 53095

If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

- a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
- b. This insurance applies to such liability assumed by the insured;
- c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
- d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
- e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- f. The indemnitee:
  - (1) Agrees in writing to:
    - (a) Cooperate with us in the investigation, settlement or defense of the "suit";
    - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
    - (c) Notify any other insurer whose coverage is available to the indemnitee; and
    - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
  - (2) Provides us with written authorization to:
    - (a) Obtain records and other information related to the "suit"; and
    - (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph **B.1.b.(2)** of Exclusions, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

- a. We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- b. The conditions set forth above, or the terms of the agreement described in Paragraph **f.** above are no longer met.

## **2. Medical Expenses**

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:
  - (1) On premises you own or rent;
  - (2) On ways next to premises you own or rent; or
  - (3) Because of your operations;provided that:
  - (a) The accident takes place in the "coverage territory" and during the policy period;
  - (b) The expenses are incurred and reported to us within one year of the date of the accident; and
  - (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.
- b. We will make these payments regardless of fault. These payments will not exceed the Limit of Insurance. We will pay reasonable expenses for:
  - (1) First aid administered at the time of an accident;
  - (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
  - (3) Necessary ambulance, hospital, professional nursing and funeral services.

## B. Exclusions

### 1. Applicable To Business Liability Coverage

This insurance does not apply to:

#### a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

#### b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
  - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
  - (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

#### c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in:

- (a) The supervision, hiring, employment, training or monitoring of others by that insured; or
- (b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the "occurrence" which caused the "bodily injury" or "property damage", involved that which is described in Paragraph (1), (2) or (3) above.

However, this exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

#### d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

#### e. Employer's Liability

"Bodily Injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
  - (a) Employment by the insured; or
  - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies:

- (a) Whether the insured may be liable as an employer or in any other capacity; and
- (b) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

**f. Pollution**

(1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants:

- (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured;
- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any insured or any person or organization for whom you may be legally responsible; or
- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations:
  - (i) If the pollutants are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor; or
  - (ii) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants.

Subparagraph (d)(i) does not apply to "bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the fuels, lubricants or other operating fluids are intentionally discharged, dispersed or released, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent to be discharged, dispersed or released as part of the operations being

performed by such insured, contractor or subcontractor.

Subparagraphs (a) and (d)(i) do not apply to "bodily injury" or "property damage" arising out of heat, smoke or fumes from a hostile fire.

As used in this exclusion, a hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

- (2) Any loss, cost or expense arising out of any:
  - (a) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants; or
  - (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

**g. Aircraft, Auto Or Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
  - (a) Less than 26 feet long; and
  - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or



(5) "Bodily injury" or "property damage" arising out of the operation of any of the following equipment:

- (a) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (b) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

**h. Mobile Equipment**

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition or stunting activity.

**i. War**

"Bodily injury" or "property damage" due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement.

**j. Professional Services**

"Bodily injury", "property damage", "personal injury" or "advertising injury" due to rendering or failure to render any professional service. This includes but is not limited to:

- (1) Legal, accounting or advertising services;
- (2) Preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications;
- (3) Supervisory, inspection or engineering services;
- (4) Medical, surgical, chiropractic, pharmaceutical, dental, x-ray or nursing services treatment, advice or instruction;
- (5) Any health or therapeutic service treatment, advice or instruction;
- (6) Optometry or optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;

**k. Damage To Property**

"Property damage" to:

- (1) Property you own, rent or occupy;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractor or subcontractor working directly or indirectly on your behalf is performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire or explosion) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section D. – Limits of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products – completed operations hazard".

**l. Damage To Your Product**

"Property damage" to "your product" arising out of it or any part of it.

**m. Damage To Your Work**

"Property damage" to "your work" arising out of it or any part of it and included in the "products – completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

**n. Damage To Impaired Property Or Property Not Physically Injured**

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

**o. Recall Of Products, Work Or Impaired Property**

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

**p. Personal Or Advertising Injury**

"Personal injury" or "advertising injury":

- (1) Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity;
- (2) Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;
- (3) Arising out of the willful violation of a penal statute or ordinance committed by or with the consent of the insured;
- (4) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement; or

(5) Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants at any time.

(6) With respect to any loss, cost or expense arising out of any:

- (a) Request, demand or order that any insured or others test for, monitor, clean-up, remove, contain, treat, detoxify or neutralize or in any way respond to, or assess the effects of pollutants; or
- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing or in any way responding to, or assessing the effects of pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

**q. Advertising Injury**

"Advertising injury" arising out of:

- (1) Breach of contract, other than misappropriation of advertising ideas under an implied contract;
- (2) The failure of goods, products or services to conform with advertised quality or performance;
- (3) The wrong description of the price of goods, products or services; or
- (4) An offense committed by an insured whose business is advertising, broadcasting, publishing or telecasting.

Exclusions **c.**, **d.**, **e.**, **f.**, **g.**, **h.**, **i.**, **k.**, **l.**, **m.**, **n.** and **o.** do not apply to damage by fire or explosion to premises while rented to you, or temporarily occupied by you with permission of the owner. A separate Limit of Insurance applies to Damage To Premises Rented To You as described in Section **D.**, Limits of Insurance.

**r. Discrimination**

"Bodily injury", "property damage", "personal injury" or "advertising injury" (or "personal and advertising injury", if defined as such in your policy) arising out of Discrimination of any person based on color, creed, gender, race natural origin, age, disability, religion, sex or any other basis of discrimination prohibited by law.



**s. Noncompensatory Damages**

Fines, penalties, double or treble damages, punitive or exemplary damages, curative damages, attorney fees, and any other noncompensatory damages or payments. If a claim is made or a lawsuit is filed against you alleging recovery for both compensatory damages and noncompensatory damages or payments:

- (1) We will provide a defense as long as compensatory damages might be awarded, but we no longer have a duty to defend if only noncompensatory damages or payments might be awarded; and
- (2) We will pay only the compensatory damages and you will pay the noncompensatory damages or payments.

This exclusion shall not reduce the Supplementary Payments included in this policy.

**t. Distribution Of Material In Violation Of Statutes**

"Bodily injury", "property damage", "personal injury" or "advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- (3) Any statute, ordinance or regulation, other than TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information

**2. Applicable To Medical Expenses Coverage**

We will not pay expenses for "bodily injury":

- a. To any insured, except volunteer workers or students in training who are not paid a fee, salary or other compensation.
- b. To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- c. To a person injured on that part of premises you own or rent that the person normally occupies.
- d. To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

- e. To a person injured while taking part in athletics.
- f. Included within the "products – completed operations hazard".
- g. Excluded under Business Liability Coverage.
- h. Due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

**3. Applicable To Both Business Liability Coverage And Medical Expenses Coverage – Nuclear Energy Liability Exclusion**

This insurance does not apply:

- a. Under Business Liability Coverage, to "bodily injury" or "property damage":
  - (1) With respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
  - (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which:
    - (a) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or
    - (b) The insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
- b. Under Medical Expenses Coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.
- c. Under Business Liability Coverage, to "bodily injury" or "property damage" resulting from the "hazardous properties" of the "nuclear material"; if:

- (1) The "nuclear material":
  - (a) Is at any "nuclear facility" owned by, or operated by or on behalf of, an insured; or
  - (b) Has been discharged or dispersed therefrom;
- (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
- (3) The "bodily injury" or "property damage" arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility"; but if such facility is located within the United States of America, its territories or possessions or Canada, this Exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

As used in this exclusion:

"By-product material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"Hazardous properties" include radioactive, toxic or explosive properties;

"Nuclear facility" means:

- (a) Any "nuclear reactor";
- (b) Any equipment or device designed or used for:
  - (1) Separating the isotopes of uranium or plutonium;
  - (2) Processing or utilizing "spent fuel"; or
  - (3) Handling, processing or packaging "waste";
- (c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
- (d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

"Nuclear material" means "source material", "special nuclear material" or "by-product material";

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

"Property damage" includes all forms of radioactive contamination of property.

"Source material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"Special nuclear material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor";

"Waste" means any waste material:

- (a) Containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content; and
- (b) Resulting from the operation by any person or organization of any "nuclear facility" included under Paragraphs (a) and (b) of the definition of "nuclear facility".

### C. Who Is An Insured

#### 1. If you are designated in the Declarations as:

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners and their spouses are also insureds, but only with respect to the conduct of your business.
- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.

- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

**2. Each of the following is also an insured:**

- a. Your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.
- b. Any person and his or her employees who enters into an agreement with you for the use of any portion of the insured premises by such person to render personal or professional services designated in this form.

However, none of these "employees" is an insured for:

**(1) "Bodily injury" or "personal injury":**

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company);
- (b) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph **(1)(a)**; or
- (c) Arising out of his or her providing or failing to provide professional health care services.

**(2) "Property damage" to property:**

- (a) Owned, occupied or used by,
- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by  
you, any of your "employees", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

- c. Any person (other than your "employee"), or any organization while acting as your real estate manager.
- d. Any person or organization having proper temporary custody of your property if you die, but only:

- (1) With respect to liability arising out of the maintenance or use of that property; and

- (2) Until your legal representative has been appointed.

- e. Any person(s) who are volunteer worker(s) for you or students in training, but only while acting at the direction of, and within the scope of their duties for you. However, none of these volunteer worker(s) or students in training are insureds for:

**(1) "Bodily injury" or "personal injury":**

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to your other volunteer worker(s) or students in training or to your "employees" arising out of and in the course of their duties for you;
- (b) To the spouse, child, parent, brother or sister of your volunteer worker(s) or students in training or your "employees" as a consequence of Paragraph **(1)(a)** above;
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs **(1)(a)** or **(1)(b)** above; or
- (d) Arising out of his or her providing or failing to provide professional health care services.

**(2) "Property damage" to property:**

- (a) Owned, occupied, or used by,
- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by

you, any of your other volunteer worker(s) or students in training, your "employees", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

- f. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this policy.

3. With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:

- a. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

#### **D. Liability And Medical Expenses Limits Of Insurance**

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
- a. Insureds;
- b. Claims made or "suits" brought; or
- c. Persons or organizations making claims or bringing "suits".
2. The most we will pay for the sum of all damages because of all:
- a. "Bodily injury", "property damage" and medical expenses arising out of any one "occurrence"; is the Each Occurrence Limit shown in the Declarations. But the most we will pay for all medical expenses because of "bodily injury" sustained by an one person in the Medical Expense Limit
- b. "Personal injury" and "advertising injury" sustained by any one person or organization is the Personal and Advertising Injury Limit shown in the Declarations.
3. Subject to 2. above, The Damage To Premises Rented To You Limit is the most we will pay for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire or explosion, while rented to you or temporarily occupied by you with permission of the owner.

#### **4. Aggregate Limits**

The most we will pay for:

- a. Injury or damage under the "products – completed operations hazard" arising from all "occurrences" during the policy period is the Products – Completed Operations Aggregate Limit shown in the Declarations.
- b. All other injury or damage, including medical expenses, arising from all "occurrences" during the policy period is the General Aggregate Limit (Other Than Products – Completed Operations) shown in the Declarations. This limitation does not apply to "property damage" to premises while rented to you or temporarily occupied by you with permission of the owner, arising out of fire or explosion.

The Limits of Insurance of this policy apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

#### **E. Liability And Medical Expenses General Conditions**

##### **1. Bankruptcy**

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this policy.

##### **2. Duties In The Event Of Occurrence, Offense, Claim Or Suit**

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
- (1) How, when and where the "occurrence" or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b. If a claim is made or "suit" is brought against any insured, you must:
- (1) Immediately record the specifics of the claim or "suit" and the date received; and



**(2) Notify us as soon as practicable.**

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

**c. You and any other involved insured must:**

**(1)** Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";

**(2)** Authorize us to obtain records and other information;

**(3)** Cooperate with us in the investigation, or settlement of the claim or defense against the "suit"; and

**(4)** Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to the insured because of injury or damage to which this insurance may also apply.

**d.** No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

**3. Financial Responsibility Laws**

**a.** When this policy is certified as proof of financial responsibility for the future under the provisions of any motor vehicle financial responsibility law, the insurance provided by the policy for "bodily injury" liability and "property damage" liability will comply with the provisions of the law to the extent of the coverage and limits of insurance required by that law.

**b.** With respect to "mobile equipment" to which this insurance applies, we will provide any liability, uninsured motorists, underinsured motorists, no-fault or other coverage required by any motor vehicle law. We will provide the required limits for those coverages.

**4. Legal Action Against Us**

No person or organization has a right under this policy:

**a.** To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or

**b.** To sue us on this policy unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

**5. Separation Of Insureds**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this policy to the first Named Insured, this insurance applies:

**a.** As if each Named Insured were the only Named Insured; and

**b.** Separately to each insured against whom claim is made or "suit" is brought.

**F. Liability And Medical Expenses Definitions**

**1.** "Advertising injury" means injury arising out of one or more of the following offenses:

**a.** Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;

**b.** Oral or written publication of material that violates a person's right of privacy;

**c.** Misappropriation of advertising ideas or style of doing business; or

**d.** Infringement of copyright, title or slogan.

**2.** "Auto" means:

**a.** A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or

**b.** Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

**3.** "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

**4.** "Coverage territory" means:

**a.** The United States of America (including its territories and possessions), Puerto Rico and Canada;

**b.** International waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in **a.** above; or

c. All parts of the world if:

(1) The injury or damage arises out of:

- (a) Goods or products made or sold by you in the territory described in **a.** above; or
- (b) The activities of a person whose home is in the territory described in **a.** above, but is away for a short time on your business; and

(2) The insured's responsibility to pay damages is determined in a "suit" on the merits in the territory described in **a.** above or in a settlement we agree to.

- 5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
- 6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
- 7. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
  - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
  - b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by:

- (1) The repair, replacement, adjustment or removal of "your product" or "your work"; or
- (2) Your fulfilling the terms of the contract or agreement.

8. "Insured contract" means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. A sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;

f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

(1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road beds, tunnel, underpass or crossing;

(2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:

(a) Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or

(b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or

(3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection or engineering services.

9. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

10. "Loading or unloading" means the handling of property:

a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";

b. While it is in or on an aircraft, watercraft or "auto"; or

c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;



but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

11. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
  - b. Vehicles maintained for use solely on or next to premises you own or rent;
  - c. Vehicles that travel on crawler treads;
  - d. Vehicles, whether self-propelled or not, on which are permanently mounted:
    - (1) Power cranes, shovels, loaders, diggers or drills; or
    - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
  - e. Vehicles not described in Paragraphs a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
    - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
    - (2) Cherry pickers and similar devices used to raise or lower workers;
  - f. Vehicles not described in Paragraphs a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:
  - (a) Snow removal;
  - (b) Road maintenance, but not construction or resurfacing; or
  - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where they are licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law or motor vehicle registration law are considered "autos".

12. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
13. "Personal injury" means injury, other than "bodily injury", arising out of one or more of the following offenses:
- a. False arrest, detention or imprisonment;
  - b. Malicious prosecution;
  - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, by or on behalf of its owner, landlord or lessor;
  - d. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
  - e. Oral or written publication of material that violates a person's right of privacy.
14. "Products – completed operations hazard":
- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
    - (1) Products that are still in your physical possession; or
    - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
      - (a) When all of the work called for in your contract has been completed.
      - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
      - (c) When that part of the work done at the job site has been put to its intended use by any other person or organization other than another contractor or subcontractor working on the same project.
- Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

The "bodily injury" or "property damage" must occur away from premises you own or rent, unless your business includes the selling, handling or distribution of "your product" for consumption on premises you own or rent.

- b.** Does not include "bodily injury" or "property damage" arising out of:

**(1)** The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured; or

**(2)** The existence of tools, uninstalled equipment or abandoned or unused materials.

**15. "Property damage" means:**

**a.** Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

**b.** Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

**16. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage", "personal injury" or "advertising injury" to which this insurance applies are alleged. "Suit" includes:**

**a.** An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or

**b.** Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

**17. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.**

**18. "Your product" means:**

**a.** Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

**(1)** You;

**(2)** Others trading under your name; or

**(3)** A person or organization whose business or assets you have acquired; and

**b.** Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

"Your product" includes:

**a.** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and

**b.** The providing of or failure to provide warnings or instructions.

"Your product" does not include vending machines or other property rented to or located for the use of others but not sold.

**19. "Your work" means:**

**a.** Work or operations performed by you or on your behalf; and

**b.** Materials, parts or equipment furnished in connection with such work or operations.

"Your work" includes:

**a.** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and

**b.** The providing of or failure to provide warnings or instructions.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **LIMITED FUNGI COVERAGE (LIABILITY)**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM

### **SCHEDULE**

<b>Fungi Liability</b>	
<b>Each Occurrence Limit</b>	\$50,000
<b>Aggregate Limit</b>	\$100,000

**Coverage under this endorsement is subject to the Fungi Each Occurrence and Aggregate Limits shown in the schedule. Our obligation to pay any claim or judgement, or to defend any suit, ends after these limits have been exhausted by payment of judgments or settlements, or after we have offered for settlement our limit of liability.**

- A.** The following is added to **B. Exclusions, 1.** Applicable to Business Liability Coverage, Paragraph **p.** Personal or Advertising Injury.
- (7)** Arising out of a "fungi incident".
- B.** The following is added to **B. Exclusions, 1.** Applicable to Business Liability Coverage, **p.** Personal or Advertising Injury, paragraph **(6)**.
- (c)** Abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" by any insured or by any other person or entity.
- C.** Coverage provided by this insurance for "bodily injury" or "property damage", arising out of a "fungi incident", is subject to the Fungi Liability Each Occurrence and Aggregate Limit as described in Paragraph **D.** of this endorsement. This provision **C.** does not apply to any "fungi" that are, are on, or are contained in, a good or product intended for bodily consumption.
- D.** The following are added to **D. Liability And Medical Expenses Limits Of Insurance:**
- 1.** The Fungi Liability Aggregate Limit shown in the Schedule of this endorsement is the most we will pay for all "bodily injury" or "property damage" and Medical Expenses arising out of a "fungi incident". This provision **D.1.** does not apply to any "fungi" that are, are on, or are contained in, a good or product intended for bodily consumption.
- 2.** Paragraphs **D.2.** and **D.3.** of the Liability And Medical Expenses Limits Of Insurance continue to apply to "bodily injury" or "property damage" arising out of a "fungi incident" but only if, and to the extent that, limits are available under the Fungi Liability Aggregate Limit.
- E.** The following definitions are added to Paragraph **F. Liability And Medical Expenses Definitions:**
- 1.** "Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or by-products produced or released by fungi.
- 2.** "Fungi incident" means an incident which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION – UNMANNED AIRCRAFT**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM

### **SCHEDULE**

<input type="checkbox"/>	<b>Bodily Injury And Property Damage:</b> Paragraph <b>A.</b> in this endorsement does not apply if an "X" is shown in the box.
<input type="checkbox"/>	<b>Personal Injury And Advertising Injury:</b> Paragraph <b>B.</b> in this endorsement does not apply if an "X" is shown in the box.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**Section II – Liability** is amended as follows:

**A.** Exclusion **B.1.g.** is replaced by the following:

This insurance does not apply to:

**g. Aircraft, Auto Or Watercraft**

**(1) Unmanned Aircraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft". Use includes operation and "loading or unloading".

This Paragraph **g.(1)** applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft".

**(2) Aircraft (Other Than Unmanned Aircraft), Auto Or Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft (other than "unmanned aircraft"), "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This Paragraph **g.(2)** applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft (other than "unmanned aircraft"), "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This Paragraph **g.(2)** does not apply to:

- (a) A watercraft while ashore on premises you own or rent;
- (b) A watercraft you do not own that is:
  - (i) Less than 51 feet long; and
  - (ii) Not being used to carry persons or property for a charge;
- (c) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (d) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (e) "Bodily injury" or "property damage" arising out of:
  - (i) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or
  - (ii) The operation of any of the following machinery or equipment:
    - i. Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
    - ii. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

**B. The following is added to Exclusion B.1.p. Personal Or Advertising Injury:**

This insurance does not apply to:

**p. Personal And Advertising Injury**

"Personal injury" or "advertising injury":

- (7) Arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft". Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the offense which caused the "personal and advertising injury" involved the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft".

This exclusion does not apply to:

- (a) The use of another's advertising idea in your "advertisement"; or
- (b) Infringing upon another's copyright, trade dress or slogan in your "advertisement".

**C. The following definition is added to Paragraph F. Liability And Medical Expenses Definitions:**

"Unmanned aircraft" means an aircraft that is not:

1. Designed;
2. Manufactured; or
3. Modified after manufacture;

to be controlled directly by a person from within or on the aircraft.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## TOTAL POLLUTION EXCLUSION WITH A HOSTILE FIRE EXCEPTION

This endorsement modifies insurance provided under the following:

### BUSINESSOWNERS POLICY

Paragraph **B.1.f. of Exclusions** in the Businessowners Liability Coverage Form is replaced by the following:

This insurance does not apply to:

#### **f. Pollution**

- (1) "Bodily injury" or "property damage" which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants at any time.

This exclusion does not apply to "bodily injury" or "property damage" arising out of heat, smoke or fumes from a hostile fire unless that hostile fire occurred or originated:

- (a) At any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste; or
- (b) At any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to, or assess the effects of, pollutants.

As used in this exclusion, a hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

- (2) Any loss, cost or expense arising out of any:
- (a) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants; or
- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of pollutants.

Pollutants means any solid, liquid, gaseous, or thermal irritant or contaminant including smoke, vapor, soot, fumes, acid, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION – LEAD LIABILITY**

This endorsement modifies insurance provided under the following:

### **BUSINESSOWNERS LIABILITY COVERAGE FORM**

This insurance does not apply to:

1. actual or alleged "bodily injury" arising out of the ingestion, inhalation, or absorption of lead in any form;
2. actual or alleged "property damage", "personal injury" or "advertising injury" arising out of any form of lead;
3. any loss, cost, or expense arising out of any request, demand, or order that any "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to or assess the effects of lead; or
4. any loss, cost or expense arising out of any claim or suit by or on behalf of any governmental authority for damages resulting from testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, or neutralizing, or in any way responding to or assessing the effects of lead.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ADDITIONAL INSURED – MANAGERS OR LESSORS OF PREMISES**

This endorsement modifies insurance provided under the following:  
BUSINESSOWNERS POLICY

### **SCHEDULE\***

**Designation of Premises (Part Leased to You):** 1401 Malcolm Dr, Waterford, MI 48327-4186

**Name of Person or Organization (Additional Insured):** Andrikides Land Company, LLC

**Additional Premium:**

**A.** The following is added to Paragraph C. WHO IS AN INSURED in the Businessowners Liability Coverage Form:

- 4.** The person or organization shown in the Schedule is also an insured, but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Schedule.

**B.** The following exclusions are added:

This insurance does not apply to:

- 1.** Any "occurrence" that takes place after you cease to be a tenant in the premises described in the Schedule.
- 2.** Structural alterations, new construction or demolition operations performed by or for the person or organization designated in the Schedule.

\*Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ADDITIONAL INSURED – MANAGERS OR LESSORS OF PREMISES**

This endorsement modifies insurance provided under the following:  
BUSINESSOWNERS POLICY

### **SCHEDULE\***

**Designation of Premises (Part Leased to You):** 45050 Warren Rd, Canton, MI 48187-1829

**Name of Person or Organization (Additional Insured):** Triplelynn Properties, LLC

**Additional Premium:**

**A.** The following is added to Paragraph C. WHO IS AN INSURED in the Businessowners Liability Coverage Form:

- 4.** The person or organization shown in the Schedule is also an insured, but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Schedule.

**B.** The following exclusions are added:

This insurance does not apply to:

- 1.** Any "occurrence" that takes place after you cease to be a tenant in the premises described in the Schedule.
- 2.** Structural alterations, new construction or demolition operations performed by or for the person or organization designated in the Schedule.

\*Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **LIMITATION OF COVERAGE TO DESIGNATED PREMISES OR PROJECT**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY

### **SCHEDULE\***

**Premises:**

**Project:** Childcare activities and operations only

The following is added to the Businessowners Liability Coverage Form:

This insurance applies only to "bodily injury," "property damage," "personal injury," "advertising injury" and medical expenses arising out of:

1. The ownership, maintenance or use of the premises shown in the Schedule and operations necessary or incidental to those premises; or
2. The project shown in the Schedule.

\*Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EMPLOYMENT-RELATED PRACTICES EXCLUSION**

This endorsement modifies insurance provided under the following:

### **BUSINESSOWNERS POLICY**

The following exclusion is added to Section **B. EXCLUSIONS** of the Businessowners Liability Coverage Form:

This insurance does not apply to:

1. "Bodily injury" or "personal injury" to:
  - a. A person arising out of any:
    - (1) Refusal to employ that person;
    - (2) Termination of that person's employment; or
    - (3) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
  - b. The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" or "personal injury" to that person at whom any of the employment-related practices described in paragraphs (1), (2) or (3) above is directed.

This exclusion applies:

- a. Whether the insured may be liable as an employer or in any other capacity; and
- b. To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **PLUS PAK – BUSINESSOWNERS LIABILITY**

This endorsement modifies insurance provided under the following:

### **BUSINESSOWNERS LIABILITY COVERAGE FORM**

Unless specifically modified or deleted, all exclusions listed in Section **B. Exclusions** of the BUSINESSOWNERS LIABILITY COVERAGE FORM apply to the coverage provided by this endorsement.

#### **A. STOP GAP LIABILITY**

The following is added to Exclusion **B.1.e. Employer's Liability**:

This exclusion does not apply to "bodily injury" to an "employee" of the insured arising out of and in the course of employment by the insured, provided such "employee" is reported and declared under the Workers' Compensation Fund of the State(s) of North Dakota, Ohio, Washington, or Wyoming, whichever is applicable as respects such injured "employee".

The insurance provided by this coverage extension does not apply to:

1. Punitive or exemplary damage because of "bodily injury" to an "employee" employed in violation of law;
2. "Bodily injury" to an "employee" while employed in violation of law with your actual knowledge or the actual knowledge of any of your executive officers;
3. Damages arising out of the discharge of, coercion of, or discrimination against any "employee" in violation of law.

#### **B. EXTENDED NONOWNED WATERCRAFT**

Exclusion **g.(2)(a)** is replaced by the following:

- (a)** Less than 51 feet long; and

#### **C. BROADENED SUPPLEMENTARY PAYMENTS**

The following changes apply to **A.1.d. Coverage Extension – Supplementary Payments**:

1. Paragraph **(2)** is amended to pay up to \$1,000 for cost of bail bonds.
2. Paragraph **(4)** is amended to pay up to \$300 a day because of time off from work.

#### **D. VOLUNTARY PROPERTY DAMAGE COVERAGE**

##### **1. Insuring Agreement.**

We will pay, at the request of the insured, for "property damage" to property of others in the insured's care, custody or control.

The "property damage" must be caused by an "occurrence" and result from operations which take place away from any premises the insured rents, owns or occupies and which are a part of your business. That business must be afforded liability coverage under the Businessowners Policy to which this endorsement is attached.

However, we shall have no duty whatsoever to defend claims and/or lawsuits for which the only coverage provided is under this endorsement.

#### **2. Additional Exclusion.**

The following is added to Paragraph **B. Exclusions**:

- a. "Property damage" caused by or arising out of work performed on your behalf by a sub-contractor.

#### **3. Limits of Insurance.**

**Each Occurrence Limit: \$2,500**

**Aggregate Limit: \$2,500**

- a. The Limits of Insurance shown above and the rules below fix the most we will pay regardless of the number of:
  - (1) Insureds;
  - (2) Claims made or "suits" brought; or
  - (3) Persons or organizations making claims or bringing "suits".
- b. The Aggregate Limit is the most we will pay for the sum of all damages under this endorsement;
- c. Subject to b. above, the Each Occurrence Limit is the most we will pay because of all "property damage" arising out of any one "occurrence".



The Limits of Insurance for this coverage apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

**4. Deductible.**

We will not pay for loss or damage for any claim until the amount of loss or damage exceeds \$100. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance.

The terms of this insurance apply irrespective of the application of the deductible amount.

We may pay any part or all of the deductible amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

**5. Conditions**

**a. Additional Duties In The Event Of Occurrence, Claim or Suit.**

In the event of loss, at our request you shall replace the property or furnish the labor and materials necessary for repairs at your actual cost, excluding any profit or overhead charges. Any property so paid for or replaced shall become our property. Payment under this coverage shall not constitute an admission of liability of the insured or, except for this coverage, us.

**E. The following is added to Section C. Who Is An Insured:**

- 4.** Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization.

However:

- a.** Coverage under this provision is afforded only until the 180<sup>th</sup> day after you acquire or form the organization or the end of the policy period, whichever is earlier;
- b.** Business Liability Coverage does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and

- c.** Business Liability Coverage does not apply to "personal injury" or "advertising injury" arising out of an offense committed before you acquired or formed the organization.

- 5.** Any person(s) or organization(s) whom you are required to add as an additional insured, but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you.

However:

- a.** The insurance afforded to such additional insured only applies to the extent permitted by law; and
- b.** If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

With respect to the insurance afforded to these additional insureds the following additional exclusions apply:

This insurance does not apply to:

- 1.** Any "occurrence" that takes place after you cease to be a tenant in the premises leased to you.
- 2.** Structural alterations, new construction, or demolition operations performed by or for the person(s) or organizations(s) who leases the premises to you.

With respect to the insurance afforded to these additional insureds, the following is added to Paragraph **D. Liability And Medical Expenses Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

- 1.** Required by the contract or agreement; or
- 2.** Available under the applicable Limits Of Insurance shown in the Declarations;

whichever is less.

This coverage shall not increase the applicable Limits Of Insurance shown in the Declarations.

**F. The following is added to Section E. Liability and Medical Expenses General Conditions:**

- 6. Unintentional Failure to Disclose Hazards –** Based on our dependence upon your representation as to existing hazards, if unintentionally you should fail to disclose all such hazards at the inception date of your policy, we will not reject liability coverage under this policy based solely on such failure.

**7. Liberalization** – If we adopt any revision that would broaden the coverage under this endorsement without additional premium, the broadened coverage will apply as of the day the revision is effective in your state.

**G. Section F. Liability and Medical Expenses Definitions, Item 3.** is deleted and replaced by:

“Bodily Injury” means bodily injury, sickness, or disease sustained by a person. This includes mental anguish or death resulting from bodily injury, sickness or disease.

**H. OTHER INSURANCE**

If coverage provided by this Plus Pak – Businessowners Liability endorsement is more specifically insured in whole or in part under this or any other policy (whether you can collect on it or not), the coverage provided by this endorsement is null and void.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION – DESCRIBED HAZARDS CATS AND DOGS**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY  
COMMERCIAL GENERAL LIABILITY COVERAGE PART

This insurance does not apply to "bodily injury", "property damage", "personal injury", "advertising injury" (or "personal and advertising injury" if defined as such in your policy) or medical expenses arising out of any expected, unexpected, intended, or aggravated attack by any cat or dog owned by or in the care, custody or control of any insured.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ABDUCTION ENDORSEMENT**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY  
COMMERCIAL GENERAL LIABILITY COVERAGE PART

### **LIMITS OF INSURANCE**

\$ 50,000 per "Abduction"  
\$ 50,000 in the aggregate  
\$ 1,000 deductible per "Abduction"

### **SECTION I. – ABDUCTION COVERAGE**

#### **1. Insuring Agreement**

Subject to the limits, aggregate and deductible as stated in this endorsement, we agree to pay the "Insured" for reasonable and necessary Covered Expenses, as listed below, incurred and paid by the "Insured" or "Guardian(s)" as a direct result of an "Abduction" occurring during the Policy Period and in the "Coverage Territory", provided that such "Abduction" is insured hereunder. Payment of such Covered Expenses may continue until the earliest of the following unless otherwise stated:

- a. Up to fourteen (14) days after the recovery of the "Covered Individual(s)"; or
- b. Discovery of the death of the "Covered Individual(s)"; or
- c. Twelve (12) months after the date of the "Abduction".

Each Covered Expense is limited to 25 percent of the amount per "Abduction" as stated in this Endorsement unless otherwise noted. Covered Expenses include:

- a. Fees and expenses of any independent investigative services, provided that we have given prior consent to the use of such independent investigative services; and
- b. Reward to an "Informant" for information leading to the recovery of the "Covered Individual(s)" and the arrest and conviction of the party(ies) responsible for the "Abduction"; and
- c. Fees and expenses of independent forensic analysts engaged by the "Insured" or "Guardian(s)" with prior authorization from us; and
- d. Fees and expenses of public relations consultants to assist in the location of the "Covered Individual(s)"; and
- e. Publicity costs incurred solely and directly to assist in the resolution of an "Abduction", provided that such "Abduction" is insured hereunder; and
- f. Costs of travel and accommodations conducted by the "Insured" or "Guardian(s)" while attempting to resolve an "Abduction"; and
- g. Rest and rehabilitation expenses including travel, lodging and meals of the "Individual(s)" and "Guardian(s)" incurred by the "Guardian(s)" and paid by the "Insured" following resolution of the loss covered hereunder. The total amount under this provision shall not exceed \$10,000 for any single loss; and
- h. Lost salary of "Guardian(s)", which is the amount of compensation paid at an annual rate including the average bonuses and commissions, that the "Guardian(s)" would normally have earned; and
- i. Fees for psychological or psychiatric counseling for the benefit of "Guardian(s)", or siblings of the "Covered Individual(s)" beginning on the date of recovery of the "Covered Individual(s)", until the earliest of the following:
  - (1) Up to three (3) months after the recovery or discovery of the death of the "Covered Individual(s)"; or
  - (2) Twelve (12) months after the date of the "Abduction"; and
- j. Fees for psychological or psychiatric counseling for the benefit of "Covered Individual(s)" beginning on the date of recovery of the "Covered Individual(s)" and continuing up to twelve (12) months thereafter; and
- k. Medical services and hospitalization costs incurred for the "Covered Individual(s)" as a result of the "Abduction" beginning on the date of recovery of the "Covered Individual(s)" and continuing up to twelve (12) months thereafter; and
- l. Funeral and burial expenses of "Covered Individual(s)" in the event of death of "Covered Individual(s)" resulting from an "Abduction".

## 2. Exclusions

We will not pay any expense(s) directly or indirectly caused or resulting from:

- a. The fraudulent, dishonest, or criminal acts of the "Insured", any director or officer of the "Insured", "Parents or Guardian(s)" or agents thereof, whether acting alone or in collusion with others; or
- b. Any legal liability or costs of defense for administrative, regulatory, judicial or other claims hearings or lawsuits arising out of the "Abduction"; or
- c. Payment of any "ransom" or demand for money.

## SECTION II. – LIMITS OF INSURANCE

With respect to this Endorsement only, the following apply:

1. The limits of Insurance shown on this Endorsement and the rules below fix the most that we will pay regardless of the number of:
  - a. "Insureds";
  - b. Claims made; or
  - c. Persons or organizations making claims.
2. The Aggregate Limit shown on this Endorsement is the most we will pay for all Covered Expenses for each policy period.
3. All expenses arising from the same continuous, related, or repeated conditions shall be treated as arising out of one covered "Abduction". The limits in effect when the first such claim is reported shall apply.
4. In no event will any expense claimed and paid under one "Abduction" be recoverable under another "Abduction".
5. The "Abduction" limit is included as part of the Limits of Insurance of the Liability Coverage.

## SECTION III. – DEDUCTIBLE

We will not pay for loss in any one "Abduction" until the amount of loss exceeds the deductible shown on this Endorsement. We will then pay the amount of loss in excess of the deductible up to the applicable Limit of Insurance as shown in this Endorsement. The deductible will not reduce the Limit of Insurance.

## SECTION IV. – DEFINITIONS

For the purposes of coverage provided under this Endorsement only, the following definitions are added:

"Abduction" means the wrongful and illegal seizure of a "Covered Individual(s)", by someone other than a "Guardian(s)" or an agent thereof, from the "premises" of the "Insured" or on any other premises while such "Covered Individual(s)" are under the control of the "Insured" occurring during the "Policy Period".

"Covered Individual(s)" means individual(s) under the care, custody and control of the "Insured" by registration or enrollment.

"Informant" means any person, other than a "Covered Individual", providing information not otherwise obtainable solely in return for a reward offered by the "Insured".

"Guardian(s)" means the natural and legal Parent(s) or legal and appointed Guardian, step-Parent(s) or foster Parent(s) of a "Covered Individual(s)" regardless of who has legal custody.

"Premises" means any place the "Insured" conducts business.

"Ransom" means a consideration paid or demanded for the release of a "Covered Person" from captivity.

## SECTION V. – CONDITIONS

For the purposes of this Endorsement only, the following conditions are added:

### 1. Conditions Precedent to Liability:

- a. In the event of an "Abduction" during the Policy Period, the "Insured" will make every reasonable effort to:
  - (1) Determine that the "Abduction" has actually occurred prior to incurring costs; and
  - (2) Give immediate oral and written notice to us with periodic and timely updates concurrent with activity occurring during the incident; and
  - (3) Immediately notify local, national or other appropriate law enforcement agency having jurisdiction over the matter.

### 2. Confidentiality:

The "Insured" will use all reasonable efforts not to disclose the existence of the Endorsement.

### 3. Other Insurance:

The insurance under this Endorsement will be excess over any other valid bond of insurance.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION – ASBESTOS OR ASBESTOS PRODUCTS**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

This insurance does not apply to:

“Bodily injury” or “property damage” arising out of the removal, manufacture, distribution, sale, installation, handling or disposal of asbestos or any product containing asbestos material.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **PROFESSIONAL LICENSE REVIEW EXPENSE ENDORSEMENT**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
BUSINESSOWNERS LIABILITY COVERAGE FORM

Unless specifically stated otherwise in this endorsement, all terms, conditions, exclusions and definitions of those forms apply to this endorsement.

### **LIMITS OF INSURANCE**

\$2,500 per review

\$5,000 annual aggregate

### **SECTION 1 – PROFESSIONAL REVIEW EXPENSE COVERAGE**

#### **1. Insuring Agreement**

Subject to the per review and annual aggregate limits of insurance stated in this endorsement, we agree to pay the “insured” for reasonable and necessary covered expenses, as listed below, incurred and paid by the “insured” as a direct result of a “professional license review,” conducted by a governmental bureau, board, commission or department, occurring during the policy period and in the “coverage territory.”

Covered Expenses include:

- a. fees and expenses of any licensed independent investigative services or legal counsel, hired by the “insured” for the purpose of assisting or representing the “insured” at the “professional license review”; and
- b. costs of travel, accommodations, and meals incurred by the “insured” in order to appear before the governmental bureau, board, commission or department.

#### **2. Exclusions**

This coverage will not pay for:

- a. hearing fees;
- b. fines, judgments, lawsuits, or settlement amounts as the result of or in conjunction with the “professional license review”;

- c. expense(s) directly or indirectly caused or resulting from the fraudulent, dishonest, or criminal acts of the “insured,” any director or officer of the “insured,” or agents thereof, whether acting alone or in the collusion with others; or
- d. lost salary or wages claimed by or for any “insured” while preparing for or attending the “professional license review.”

### **SECTION II – LIMITS OF INSURANCE**

With respect to this endorsement only, the following apply:

1. The per review limit of insurance shown in this endorsement is the most that we will pay per review, regardless of the number of “insureds” reviewed or subject to the “professional license review.”
2. The annual aggregate limit of insurance shown in this endorsement is the most we will pay for all covered expenses for each policy period.
3. In the event that the “professional license review” continues over more than one policy period, the expenses shall be limited to the annual aggregate of one policy period.
4. In no event will any expense claimed for a “professional license review” be recoverable as expense for another “professional license review.”
5. The limits of insurance stated in this endorsement are not included as part of the Liability Limits of Insurance shown in the Declarations for this policy.

### SECTION III – DEFINITIONS

For the purposes of the coverage provided under this endorsement only, the following definitions are added:

1. "Insured" means an employee of the Named Insured shown in the Declarations, but does not include leased or temporary workers or volunteers. "Insured" does not include the Named Insured, unless the Named Insured is an individual person operating as a sole proprietorship, or any other business, whether corporation, partnership, limited liability company or other organization. "Insured" only includes individual persons.
2. "Professional license review" means a formal or informal proceeding conducted by a governmental bureau, board, commission or department charged with regulating the "insured's" professional license and involving the review, modification, denial, suspension, or nonrenewal of the "insured's" professional license or involving disciplinary action against the "insured," including proceedings to impose a forfeiture or penalty; but "professional license review" does not include a proceeding concerning any criminal or civil charge brought against the "insured."

### SECTION IV – CONDITIONS

For the purpose of this endorsement only, the following conditions are added:

1. In the event of a "professional license review" during the policy period, the "insured" will:
  - a. make every reasonable effort to give us immediate written notice and timely updates concurrent with activity regarding the "professional license review";
  - b. provide us with the official report of the "professional license review"; and
  - c. provide us with documentation, including receipts, for expenses claimed under this coverage.
2. The insurance under this endorsement will be excess over any other valid insurance or bond.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION – TRAMPOLINES**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY  
COMMERCIAL GENERAL LIABILITY COVERAGE PART

This insurance does not apply to "bodily injury", "property damage", "personal injury", "advertising injury" (or "personal and advertising injury", if defined as such in your policy) or medical expenses to any person arising out of the use of a trampoline or springboard owned or operated by an insured.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION – WATER ACTIVITIES**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY  
COMMERCIAL GENERAL LIABILITY COVERAGE PART

This insurance does not apply to “bodily injury”, “property damage” or medical expenses arising out of the use, ownership or maintenance of any body of water, wading pool or pool.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION – ACCESS OR DISCLOSURE OF  
CONFIDENTIAL OR PERSONAL INFORMATION AND  
DATA-RELATED LIABILITY – WITH LIMITED  
BODILY INJURY EXCEPTION**

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS LIABILITY COVERAGE FORM**

- A.** The following exclusion is added to Paragraph **B. Exclusions:**

**Access Or Disclosure Of Confidential Or  
Personal Information And Data-related  
Liability**

This insurance does not apply to:

- (1)** "Bodily injury", "property damage", "personal injury" or "advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2)** Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph **(1)** or **(2)** above.

However, unless Paragraph **(1)** above applies, this exclusion does not apply to damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.

### Business Auto Coverage Declarations

**Customer Number:** 0110398633

**Policy Number:** 1364094 09

**Policy Period:** 08/23/2019 to 08/23/2020

at 12:01 AM Standard Time at Your Mailing Address Shown Below

**Named Insured and Address:**

Paradigm Care & Enrichment Center, LLC  
1401 Malcolm Dr  
Waterford, MI 48327

**Agency Name and Address:**

DOEREN MAYHEW INSURANCE GROUP  
305 W BIG BEAVER RD., STE 102  
TROY, MI 48084  
248-290-0650

21987

**Form of Business:**

Limited Liability Company

In return for the payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.

### ITEM TWO: Schedule Of Coverages And Covered Autos

This policy provides only those coverages where a charge is shown in the premium column below. Each of these coverages will apply only to those "autos" shown as covered "autos". "Autos" are shown as covered "autos" for a particular coverage by the entry of one or more of the symbols from the Covered Autos Section of the Business Auto Coverage Form next to the name of the coverage.

Coverages	Covered Autos	Limit (the most we will pay for any one "Accident" or "Loss")	Premium
Covered Autos Liability	8, 9	\$1,000,000 Each Accident	\$210
Property Protection Insurance (Michigan Only)		Separately Stated In The Property Protection Insurance Endorsement Minus \$0 Deductible For Each Accident	\$0
Physical Damage		Actual Cash Value Or Cost Of Repair, Whichever Is Less, Minus Deductible Shown.	
Comprehensive	7	See ITEM THREE For Deductible For Each Covered Auto. See ITEM FOUR For Hired OR Borrowed Autos.	\$50

Endorsements and Miscellaneous Premiums (See Endorsement and Miscellaneous Schedule): \$50

Total Commercial Auto Premium: \$310

See attached Forms Schedule for forms and endorsements applicable to this coverage.



**Business Auto Coverage Schedule**

**Customer Number:** 0110398633

**Policy Period:** 08/23/2019 to 08/23/2020

**Policy Number:** 1364094 09

at 12:01 AM Standard Time at Your Mailing Address Shown Below

**Named Insured and Address:**

Paradigm Care & Enrichment Center, LLC  
1401 Malcolm Dr  
Waterford, MI 48327

**Agency Name and Address:**

DOEREN MAYHEW INSURANCE GROUP  
305 W BIG BEAVER RD., STE 102  
TROY, MI 48084  
248-290-0650

21987

**ITEM THREE: Schedule Of Covered Autos You Own**

Veh No.	Description	Original Cost New	Stated Amount	Total Vehicle Premium
	Year, Make, Model, Vehicle Identification Number (VIN)			
1	2003 GMC\CHEVY G Series 4x2 Hi Cube 12' Steel Comp 1GDHGG31UX31133764	\$24,183		\$50

Veh No.	Classification				Territory	
	Radius Of Operation	Use	Size	Seating Capacity	Garaging Location	Class Code
1	Local	Commercial	Light		Waterford, MI 48327-4186	03199

Veh No.	Covered Autos Liability		Auto Medical Payments		Personal Injury Protection (See state specific PIP endorsement for limits)			
	CSL	Premium	Limit	Premium	Deductible	Premium	Michigan Only	
							Property Protection	Property Protection Deductible
1								\$0

**Business Auto Coverage Schedule**

**Customer Number:** 0110398633

**Policy Number:** 1364094 09

**Policy Period:** 08/23/2019 to 08/23/2020

at 12:01 AM Standard Time at Your Mailing Address Shown Below

**Named Insured and Address:**

Paradigm Care & Enrichment Center, LLC  
1401 Malcolm Dr  
Waterford, MI 48327

**Agency Name and Address:**

DOEREN MAYHEW INSURANCE GROUP  
305 W BIG BEAVER RD., STE 102  
TROY, MI 48084  
248-290-0650

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Veh No.	Uninsured Motorist			Underinsured Motorist		Defensive Driver Credit	Dual Control	AntiTheft Discount
	CSL	PD Limit	Premium	CSL	Premium			
1								

Veh No.	Comprehensive		Specified Causes Of Loss			Collision		
	Deductible	Premium	Type	Deductible	Premium	Type (MI only)	Deductible	Premium
1	\$1,000	\$50						

Veh No.	Full Glass (MN only)	Towing And Labor		Auto Loan/ Lease Gap	Rental Reimbursement Premium	Audio/Visual/Data Electronic Equipment		Tapes Premium
		Limit	Premium			Limit	Premium	
1								

**Business Auto Hired or Borrowed Schedule**

**Customer Number:** 0110398633

**Policy Number:** 1364094 09

**Policy Period:** 08/23/2019 to 08/23/2020

at 12:01 AM Standard Time at Your Mailing Address Shown Below

**Named Insured and Address:**

Paradigm Care & Enrichment Center, LLC  
1401 Malcolm Dr  
Waterford, MI 48327

**Agency Name and Address:**

DOEREN MAYHEW INSURANCE GROUP  
305 W BIG BEAVER RD., STE 102  
TROY, MI 48084  
248-290-0650

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**ITEM FOUR: Schedule Of Hired Or Borrowed Covered Auto Coverage And Premiums**

"Autos" NOT Used In Your Motor Carrier Operations

State	Covered Autos Liability Coverage – Cost Of Hire Rating Basis		Auto Medical Payments Premium	Uninsured Motorists Premium	Underinsured Motorists Premium
	Estimated Annual Cost Of Hire For Each State	Premium			
MI	If Any	\$27			

Total Hired Auto Premium: \$27

For "autos" NOT used in your motor carrier operations, cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or "employees" or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.

**Business Auto Non-Owned Auto Schedule**

**Customer Number:** 0110398633

**Policy Number:** 1364094 09

**Policy Period:** 08/23/2019 to 08/23/2020

at 12:01 AM Standard Time at Your Mailing Address Shown Below

**Named Insured and Address:**

Paradigm Care & Enrichment Center, LLC  
1401 Malcolm Dr  
Waterford, MI 48327

**Agency Name and Address:**

DOEREN MAYHEW INSURANCE GROUP  
305 W BIG BEAVER RD., STE 102  
TROY, MI 48084  
248-290-0650

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**ITEM FIVE: Schedule For Non-ownership Covered Autos Liability**

Named Insured's Business	Covered Autos Liability Coverage Rating Basis	Estimated Number	Premium
Other Than Garage Service Operations Other Than Social Service Agencies	Number Of Employees	0	\$183
	Number Of Partners (Active and Inactive)	0	

Total Non-ownership Covered Autos Premium: \$183

**Business Auto Endorsements and Miscellaneous Premiums**

**Customer Number:** 0110398633

**Policy Number:** 1364094 09

**Policy Period:** 08/23/2019 to 08/23/2020

at 12:01 AM Standard Time at Your Mailing Address Shown Below

**Named Insured and Address:**

Paradigm Care & Enrichment Center, LLC  
1401 Malcolm Dr  
Waterford, MI 48327

**Agency Name and Address:**

DOEREN MAYHEW INSURANCE GROUP  
305 W BIG BEAVER RD., STE 102  
TROY, MI 48084  
248-290-0650

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**Additional Insureds**

Description	Form Number	Premium
Additional Insured - Not Otherwise Classified	WB1450CA	\$50
Total Endorsement and Miscellaneous Premium:		\$50

**Business Auto Forms Schedule**

**Customer Number:** 0110398633

**Policy Number:** 1364094 09

**Policy Period:** 08/23/2019 to 08/23/2020

at 12:01 AM Standard Time at Your Mailing Address Shown Below

**Named Insured and Address:**

Paradigm Care & Enrichment Center, LLC  
1401 Malcolm Dr  
Waterford, MI 48327

**Agency Name and Address:**

DOEREN MAYHEW INSURANCE GROUP  
305 W BIG BEAVER RD., STE 102  
TROY, MI 48084  
248-290-0650

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**Forms Schedule**

Number	Edition	Description
WB1238	0118	COVERED AUTO DESCRIPTION EXTENSION ENDORSEMENT
WB1450CA	0118	ADDITIONAL INSURED - NOT OTHERWISE CLASSIFIED
CA0001	1013	BUSINESS AUTO COVERAGE FORM
CA2054	1013	EMPLOYEE HIRED AUTOS
CA2301	1013	EXPLOSIVES
CA0110	0916	MICHIGAN CHANGES
CA0217	0717	MICHIGAN CHANGES - CANCELLATION AND NONRENEWAL
CA2377	0817	MICHIGAN PUBLIC OR LIVERY PASSENGER CONVEYANCE, TRANSPORTATION NETWORK AND ON-DEMAND DELIVERY SERVICES EXCLUSION



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **COVERED AUTO DESCRIPTION EXTENSION ENDORSEMENT**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL AUTO COVERAGE PART**

Some covered "autos" may have descriptions that exceed the amount of space available for the description on the SCHEDULE OF COVERED AUTOS YOU OWN. Covered "autos" that require additional space for the complete description are shown in the schedule of this endorsement.

### **SCHEDULE**

Complete description(s) and vehicle identification number(s) of covered "autos":

1 - 2003 GMC\CHEVY G Series 4x2 Hi Cube 12' Steel Compact Van - 1GDHG31UX31133764

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ADDITIONAL INSURED – NOT OTHERWISE CLASSIFIED**

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM  
BUSINESS AUTO COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM

### **SCHEDULE**

<b>Name of Person or Organization (Additional Insured):</b>
Michele Cadaret 19450 Pierson Dr Northville, MI 48167-2639
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**Who Is An Insured** is amended to include as an insured the person or organization shown in the Schedule as an additional insured, but only with respect to liability incurred solely as a result of some act or omission of the named insured.

It is further understood and agreed that the designation of the entity named as an additional insured does not increase or alter the limit of liability, nor the scope of coverage of this policy.

The coverage granted to the additional insured under this endorsement shall be excess over any other valid and collectible insurance, whether contingent, excess or primary.

This endorsement provides no coverage to the additional insured for its liability arising out of the claimed negligence, statutory liability or fault of the additional insured.

As a condition of coverage, the additional insured shall be obligated to tender the defense and indemnity of every claim or suit to all other insurers that may provide coverage to the additional insured, whether on a contingent, excess or primary basis.

## BUSINESS AUTO COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

### SECTION I – COVERED AUTOS

Item Two of the Declarations shows the "autos" that are covered "autos" for each of your coverages. The following numerical symbols describe the "autos" that may be covered "autos". The symbols entered next to a coverage on the Declarations designate the only "autos" that are covered "autos".

#### A. Description Of Covered Auto Designation Symbols

Symbol	Description Of Covered Auto Designation Symbols	
1	Any "Auto"	
2	Owned "Autos" Only	Only those "autos" you own (and for Covered Autos Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" you acquire ownership of after the policy begins.
3	Owned Private Passenger "Autos" Only	Only the private passenger "autos" you own. This includes those private passenger "autos" you acquire ownership of after the policy begins.
4	Owned "Autos" Other Than Private Passenger "Autos" Only	Only those "autos" you own that are not of the private passenger type (and for Covered Autos Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" not of the private passenger type you acquire ownership of after the policy begins.
5	Owned "Autos" Subject To No-fault	Only those "autos" you own that are required to have no-fault benefits in the state where they are licensed or principally garaged. This includes those "autos" you acquire ownership of after the policy begins provided they are required to have no-fault benefits in the state where they are licensed or principally garaged.
6	Owned "Autos" Subject To A Compulsory Uninsured Motorists Law	Only those "autos" you own that because of the law in the state where they are licensed or principally garaged are required to have and cannot reject Uninsured Motorists Coverage. This includes those "autos" you acquire ownership of after the policy begins provided they are subject to the same state uninsured motorists requirement.
7	Specifically Described "Autos"	Only those "autos" described in Item Three of the Declarations for which a premium charge is shown (and for Covered Autos Liability Coverage any "trailers" you don't own while attached to any power unit described in Item Three).
8	Hired "Autos" Only	Only those "autos" you lease, hire, rent or borrow. This does not include any "auto" you lease, hire, rent or borrow from any of your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households.
9	Non-owned "Autos" Only	Only those "autos" you do not own, lease, hire, rent or borrow that are used in connection with your business. This includes "autos" owned by your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households but only while used in your business or your personal affairs.

19	Mobile Equipment Subject To Compulsory Or Financial Responsibility Or Other Motor Vehicle Insurance Law Only	Only those "autos" that are land vehicles and that would qualify under the definition of "mobile equipment" under this policy if they were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where they are licensed or principally garaged.
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## B. Owned Autos You Acquire After The Policy Begins

1. If Symbols **1, 2, 3, 4, 5, 6** or **19** are entered next to a coverage in Item Two of the Declarations, then you have coverage for "autos" that you acquire of the type described for the remainder of the policy period.
2. But, if Symbol **7** is entered next to a coverage in Item Two of the Declarations, an "auto" you acquire will be a covered "auto" for that coverage only if:
  - a. We already cover all "autos" that you own for that coverage or it replaces an "auto" you previously owned that had that coverage; and
  - b. You tell us within 30 days after you acquire it that you want us to cover it for that coverage.

## C. Certain Trailers, Mobile Equipment And Temporary Substitute Autos

If Covered Autos Liability Coverage is provided by this Coverage Form, the following types of vehicles are also covered "autos" for Covered Autos Liability Coverage:

1. "Trailers" with a load capacity of 2,000 pounds or less designed primarily for travel on public roads.
2. "Mobile equipment" while being carried or towed by a covered "auto".
3. Any "auto" you do not own while used with the permission of its owner as a temporary substitute for a covered "auto" you own that is out of service because of its:
  - a. Breakdown;
  - b. Repair;
  - c. Servicing;
  - d. "Loss"; or
  - e. Destruction.

## SECTION II – COVERED AUTOS LIABILITY COVERAGE

### A. Coverage

We will pay all sums an "insured" legally must pay as damages because of "bodily injury" or "property damage" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of a covered "auto".

We will also pay all sums an "insured" legally must pay as a "covered pollution cost or expense" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of covered "autos". However, we will only pay for the "covered pollution cost or expense" if there is either "bodily injury" or "property damage" to which this insurance applies that is caused by the same "accident".

We have the right and duty to defend any "insured" against a "suit" asking for such damages or a "covered pollution cost or expense". However, we have no duty to defend any "insured" against a "suit" seeking damages for "bodily injury" or "property damage" or a "covered pollution cost or expense" to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends when the Covered Autos Liability Coverage Limit of Insurance has been exhausted by payment of judgments or settlements.

### 1. Who Is An Insured

The following are "insureds":

- a. You for any covered "auto".
- b. Anyone else while using with your permission a covered "auto" you own, hire or borrow except:
  - (1) The owner or anyone else from whom you hire or borrow a covered "auto".

This exception does not apply if the covered "auto" is a "trailer" connected to a covered "auto" you own.

- (2) Your "employee" if the covered "auto" is owned by that "employee" or a member of his or her household.
  - (3) Someone using a covered "auto" while he or she is working in a business of selling, servicing, repairing, parking or storing "autos" unless that business is yours.
  - (4) Anyone other than your "employees", partners (if you are a partnership), members (if you are a limited liability company) or a lessee or borrower or any of their "employees", while moving property to or from a covered "auto".
  - (5) A partner (if you are a partnership) or a member (if you are a limited liability company) for a covered "auto" owned by him or her or a member of his or her household.
- c. Anyone liable for the conduct of an "insured" described above but only to the extent of that liability.

## 2. Coverage Extensions

### a. Supplementary Payments

We will pay for the "insured":

- (1) All expenses we incur.
- (2) Up to \$2,000 for cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.
- (3) The cost of bonds to release attachments in any "suit" against the "insured" we defend, but only for bond amounts within our Limit of Insurance.
- (4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$250 a day because of time off from work.
- (5) All court costs taxed against the "insured" in any "suit" against the "insured" we defend. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the "insured".
- (6) All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" against the "insured" we defend, but our duty to pay interest ends when we have paid, offered to pay or deposited in court the part of the judgment that is within our Limit of Insurance.

These payments will not reduce the Limit of Insurance.

### b. Out-of-state Coverage Extensions

While a covered "auto" is away from the state where it is licensed, we will:

- (1) Increase the Limit of Insurance for Covered Autos Liability Coverage to meet the limits specified by a compulsory or financial responsibility law of the jurisdiction where the covered "auto" is being used. This extension does not apply to the limit or limits specified by any law governing motor carriers of passengers or property.
- (2) Provide the minimum amounts and types of other coverages, such as no-fault, required of out-of-state vehicles by the jurisdiction where the covered "auto" is being used.

We will not pay anyone more than once for the same elements of loss because of these extensions.

## B. Exclusions

This insurance does not apply to any of the following:

### 1. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the "insured".

### 2. Contractual

Liability assumed under any contract or agreement.

But this exclusion does not apply to liability for damages:

- a. Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement; or
- b. That the "insured" would have in the absence of the contract or agreement.

### 3. Workers' Compensation

Any obligation for which the "insured" or the "insured's" insurer may be held liable under any workers' compensation, disability benefits or unemployment compensation law or any similar law.

#### **4. Employee Indemnification And Employer's Liability**

"Bodily injury" to:

- a. An "employee" of the "insured" arising out of and in the course of:
  - (1) Employment by the "insured"; or
  - (2) Performing the duties related to the conduct of the "insured's" business; or
- b. The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph **a.** above.

This exclusion applies:

- (1) Whether the "insured" may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

But this exclusion does not apply to "bodily injury" to domestic "employees" not entitled to workers' compensation benefits or to liability assumed by the "insured" under an "insured contract". For the purposes of the Coverage Form, a domestic "employee" is a person engaged in household or domestic work performed principally in connection with a residence premises.

#### **5. Fellow Employee**

"Bodily injury" to:

- a. Any fellow "employee" of the "insured" arising out of and in the course of the fellow "employee's" employment or while performing duties related to the conduct of your business; or
- b. The spouse, child, parent, brother or sister of that fellow "employee" as a consequence of Paragraph **a.** above.

#### **6. Care, Custody Or Control**

"Property damage" to or "covered pollution cost or expense" involving property owned or transported by the "insured" or in the "insured's" care, custody or control. But this exclusion does not apply to liability assumed under a sidetrack agreement.

#### **7. Handling Of Property**

"Bodily injury" or "property damage" resulting from the handling of property:

- a. Before it is moved from the place where it is accepted by the "insured" for movement into or onto the covered "auto"; or

- b. After it is moved from the covered "auto" to the place where it is finally delivered by the "insured".

#### **8. Movement Of Property By Mechanical Device**

"Bodily injury" or "property damage" resulting from the movement of property by a mechanical device (other than a hand truck) unless the device is attached to the covered "auto".

#### **9. Operations**

"Bodily injury" or "property damage" arising out of the operation of:

- a. Any equipment listed in Paragraphs **6.b.** and **6.c.** of the definition of "mobile equipment"; or
- b. Machinery or equipment that is on, attached to or part of a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

#### **10. Completed Operations**

"Bodily injury" or "property damage" arising out of your work after that work has been completed or abandoned.

In this exclusion, your work means:

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.

Your work includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in Paragraph **a.** or **b.** above.

Your work will be deemed completed at the earliest of the following times:

- (1) When all of the work called for in your contract has been completed;
- (2) When all of the work to be done at the site has been completed if your contract calls for work at more than one site; or
- (3) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.



Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

#### **11. Pollution**

"Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- a. That are, or that are contained in any property that is:
  - (1) Being transported or towed by, handled or handled for movement into, onto or from the covered "auto";
  - (2) Otherwise in the course of transit by or on behalf of the "insured"; or
  - (3) Being stored, disposed of, treated or processed in or upon the covered "auto";
- b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or
- c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph a. above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts if:

- (1) The "pollutants" escape, seep, migrate or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and
- (2) The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in Paragraphs 6.b. and 6.c. of the definition of "mobile equipment".

Paragraphs b. and c. above of this exclusion do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (a) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and
- (b) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

#### **12. War**

"Bodily injury" or "property damage" arising directly or indirectly out of:

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

#### **13. Racing**

Covered "autos" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply while that covered "auto" is being prepared for such a contest or activity.

#### **C. Limit Of Insurance**

Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for the total of all damages and "covered pollution cost or expense" combined resulting from any one "accident" is the Limit Of Insurance for Covered Autos Liability Coverage shown in the Declarations.

All "bodily injury", "property damage" and "covered pollution cost or expense" resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one "accident".

No one will be entitled to receive duplicate payments for the same elements of "loss" under this Coverage Form and any Medical Payments Coverage endorsement, Uninsured Motorists Coverage endorsement or Underinsured Motorists Coverage endorsement attached to this Coverage Part.

### **SECTION III – PHYSICAL DAMAGE COVERAGE**

#### **A. Coverage**

1. We will pay for "loss" to a covered "auto" or its equipment under:

- a. **Comprehensive Coverage**

From any cause except:

- (1) The covered "auto's" collision with another object; or
    - (2) The covered "auto's" overturn.

- b. **Specified Causes Of Loss Coverage**

Caused by:

- (1) Fire, lightning or explosion;
    - (2) Theft;
    - (3) Windstorm, hail or earthquake;
    - (4) Flood;
    - (5) Mischief or vandalism; or
    - (6) The sinking, burning, collision or derailment of any conveyance transporting the covered "auto".

- c. **Collision Coverage**

Caused by:

- (1) The covered "auto's" collision with another object; or
    - (2) The covered "auto's" overturn.

2. **Towing**

We will pay up to the limit shown in the Declarations for towing and labor costs incurred each time a covered "auto" of the private passenger type is disabled. However, the labor must be performed at the place of disablement.

3. **Glass Breakage – Hitting A Bird Or Animal – Falling Objects Or Missiles**

If you carry Comprehensive Coverage for the damaged covered "auto", we will pay for the following under Comprehensive Coverage:

- a. Glass breakage;
  - b. "Loss" caused by hitting a bird or animal; and
  - c. "Loss" caused by falling objects or missiles.

However, you have the option of having glass breakage caused by a covered "auto's" collision or overturn considered a "loss" under Collision Coverage.

4. **Coverage Extensions**

- a. **Transportation Expenses**

We will pay up to \$20 per day, to a maximum of \$600, for temporary transportation expense incurred by you because of the total theft of a covered "auto" of the private passenger type. We will pay only for those covered "autos" for which you carry either Comprehensive or Specified Causes Of Loss Coverage. We will pay for temporary transportation expenses incurred during the period beginning 48 hours after the theft and ending, regardless of the policy's expiration, when the covered "auto" is returned to use or we pay for its "loss".

- b. **Loss Of Use Expenses**

For Hired Auto Physical Damage, we will pay expenses for which an "insured" becomes legally responsible to pay for loss of use of a vehicle rented or hired without a driver under a written rental contract or agreement. We will pay for loss of use expenses if caused by:

- (1) Other than collision only if the Declarations indicates that Comprehensive Coverage is provided for any covered "auto";
    - (2) Specified Causes Of Loss only if the Declarations indicates that Specified Causes Of Loss Coverage is provided for any covered "auto"; or

- (3) Collision only if the Declarations indicates that Collision Coverage is provided for any covered "auto".

However, the most we will pay for any expenses for loss of use is \$20 per day, to a maximum of \$600.

## **B. Exclusions**

1. We will not pay for "loss" caused by or resulting from any of the following. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss".

### **a. Nuclear Hazard**

- (1) The explosion of any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination, however caused.

### **b. War Or Military Action**

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

2. We will not pay for "loss" to any covered "auto" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. We will also not pay for "loss" to any covered "auto" while that covered "auto" is being prepared for such a contest or activity.

3. We will not pay for "loss" due and confined to:
- a. Wear and tear, freezing, mechanical or electrical breakdown.
- b. Blowouts, punctures or other road damage to tires.

This exclusion does not apply to such "loss" resulting from the total theft of a covered "auto".

4. We will not pay for "loss" to any of the following:
- a. Tapes, records, discs or other similar audio, visual or data electronic devices designed for use with audio, visual or data electronic equipment.

- b. Any device designed or used to detect speed-measuring equipment, such as radar or laser detectors, and any jamming apparatus intended to elude or disrupt speed-measuring equipment.

- c. Any electronic equipment, without regard to whether this equipment is permanently installed, that reproduces, receives or transmits audio, visual or data signals.

- d. Any accessories used with the electronic equipment described in Paragraph c. above.

5. Exclusions 4.c. and 4.d. do not apply to equipment designed to be operated solely by use of the power from the "auto's" electrical system that, at the time of "loss", is:

- a. Permanently installed in or upon the covered "auto";
- b. Removable from a housing unit which is permanently installed in or upon the covered "auto";
- c. An integral part of the same unit housing any electronic equipment described in Paragraphs a. and b. above; or
- d. Necessary for the normal operation of the covered "auto" or the monitoring of the covered "auto's" operating system.

6. We will not pay for "loss" to a covered "auto" due to "diminution in value".

## **C. Limits Of Insurance**

1. The most we will pay for:

- a. "Loss" to any one covered "auto" is the lesser of:

- (1) The actual cash value of the damaged or stolen property as of the time of the "loss"; or
- (2) The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality.

- b. All electronic equipment that reproduces, receives or transmits audio, visual or data signals in any one "loss" is \$1,000, if, at the time of "loss", such electronic equipment is:

- (1) Permanently installed in or upon the covered "auto" in a housing, opening or other location that is not normally used by the "auto" manufacturer for the installation of such equipment;

- (2) Removable from a permanently installed housing unit as described in Paragraph **b.(1)** above; or
  - (3) An integral part of such equipment as described in Paragraphs **b.(1)** and **b.(2)** above.
2. An adjustment for depreciation and physical condition will be made in determining actual cash value in the event of a total "loss".
  3. If a repair or replacement results in better than like kind or quality, we will not pay for the amount of the betterment.

#### **D. Deductible**

For each covered "auto", our obligation to pay for, repair, return or replace damaged or stolen property will be reduced by the applicable deductible shown in the Declarations. Any Comprehensive Coverage deductible shown in the Declarations does not apply to "loss" caused by fire or lightning.

### **SECTION IV – BUSINESS AUTO CONDITIONS**

The following conditions apply in addition to the Common Policy Conditions:

#### **A. Loss Conditions**

##### **1. Appraisal For Physical Damage Loss**

If you and we disagree on the amount of "loss", either may demand an appraisal of the "loss". In this event, each party will select a competent appraiser. The two appraisers will select a competent and impartial umpire. The appraisers will state separately the actual cash value and amount of "loss". If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If we submit to an appraisal, we will still retain our right to deny the claim.

##### **2. Duties In The Event Of Accident, Claim, Suit Or Loss**

We have no duty to provide coverage under this policy unless there has been full compliance with the following duties:

- a. In the event of "accident", claim, "suit" or "loss", you must give us or our authorized representative prompt notice of the "accident" or "loss". Include:
  - (1) How, when and where the "accident" or "loss" occurred;

- (2) The "insured's" name and address; and
- (3) To the extent possible, the names and addresses of any injured persons and witnesses.

b. Additionally, you and any other involved "insured" must:

- (1) Assume no obligation, make no payment or incur no expense without our consent, except at the "insured's" own cost.
- (2) Immediately send us copies of any request, demand, order, notice, summons or legal paper received concerning the claim or "suit".
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit".
- (4) Authorize us to obtain medical records or other pertinent information.
- (5) Submit to examination, at our expense, by physicians of our choice, as often as we reasonably require.

c. If there is "loss" to a covered "auto" or its equipment, you must also do the following:

- (1) Promptly notify the police if the covered "auto" or any of its equipment is stolen.
- (2) Take all reasonable steps to protect the covered "auto" from further damage. Also keep a record of your expenses for consideration in the settlement of the claim.
- (3) Permit us to inspect the covered "auto" and records proving the "loss" before its repair or disposition.
- (4) Agree to examinations under oath at our request and give us a signed statement of your answers.

##### **3. Legal Action Against Us**

No one may bring a legal action against us under this Coverage Form until:

- a. There has been full compliance with all the terms of this Coverage Form; and
- b. Under Covered Autos Liability Coverage, we agree in writing that the "insured" has an obligation to pay or until the amount of that obligation has finally been determined by judgment after trial. No one has the right under this policy to bring us into an action to determine the "insured's" liability.

#### **4. Loss Payment – Physical Damage Coverages**

At our option, we may:

- a. Pay for, repair or replace damaged or stolen property;
- b. Return the stolen property, at our expense. We will pay for any damage that results to the "auto" from the theft; or
- c. Take all or any part of the damaged or stolen property at an agreed or appraised value.

If we pay for the "loss", our payment will include the applicable sales tax for the damaged or stolen property.

#### **5. Transfer Of Rights Of Recovery Against Others To Us**

If any person or organization to or for whom we make payment under this Coverage Form has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after "accident" or "loss" to impair them.

### **B. General Conditions**

#### **1. Bankruptcy**

Bankruptcy or insolvency of the "insured" or the "insured's" estate will not relieve us of any obligations under this Coverage Form.

#### **2. Concealment, Misrepresentation Or Fraud**

This Coverage Form is void in any case of fraud by you at any time as it relates to this Coverage Form. It is also void if you or any other "insured", at any time, intentionally conceals or misrepresents a material fact concerning:

- a. This Coverage Form;
- b. The covered "auto";
- c. Your interest in the covered "auto"; or
- d. A claim under this Coverage Form.

#### **3. Liberalization**

If we revise this Coverage Form to provide more coverage without additional premium charge, your policy will automatically provide the additional coverage as of the day the revision is effective in your state.

#### **4. No Benefit To Bailee – Physical Damage Coverages**

We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this Coverage Form.

#### **5. Other Insurance**

- a. For any covered "auto" you own, this Coverage Form provides primary insurance. For any covered "auto" you don't own, the insurance provided by this Coverage Form is excess over any other collectible insurance. However, while a covered "auto" which is a "trailer" is connected to another vehicle, the Covered Autos Liability Coverage this Coverage Form provides for the "trailer" is:

- (1) Excess while it is connected to a motor vehicle you do not own; or
- (2) Primary while it is connected to a covered "auto" you own.

- b. For Hired Auto Physical Damage Coverage, any covered "auto" you lease, hire, rent or borrow is deemed to be a covered "auto" you own. However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".
- c. Regardless of the provisions of Paragraph a. above, this Coverage Form's Covered Autos Liability Coverage is primary for any liability assumed under an "insured contract".

- d. When this Coverage Form and any other Coverage Form or policy covers on the same basis, either excess or primary, we will pay only our share. Our share is the proportion that the Limit of Insurance of our Coverage Form bears to the total of the limits of all the Coverage Forms and policies covering on the same basis.

#### **6. Premium Audit**

- a. The estimated premium for this Coverage Form is based on the exposures you told us you would have when this policy began. We will compute the final premium due when we determine your actual exposures. The estimated total premium will be credited against the final premium due and the first Named Insured will be billed for the balance, if any. The due date for the final premium or retrospective premium is the date shown as the due date on the bill. If the estimated total premium exceeds the final premium due, the first Named Insured will get a refund.
- b. If this policy is issued for more than one year, the premium for this Coverage Form will be computed annually based on our rates or premiums in effect at the beginning of each year of the policy.



## 7. Policy Period, Coverage Territory

Under this Coverage Form, we cover "accidents" and "losses" occurring:

- a. During the policy period shown in the Declarations; and
- b. Within the coverage territory.

The coverage territory is:

- (1) The United States of America;
- (2) The territories and possessions of the United States of America;
- (3) Puerto Rico;
- (4) Canada; and
- (5) Anywhere in the world if a covered "auto" of the private passenger type is leased, hired, rented or borrowed without a driver for a period of 30 days or less,

provided that the "insured's" responsibility to pay damages is determined in a "suit" on the merits, in the United States of America, the territories and possessions of the United States of America, Puerto Rico or Canada, or in a settlement we agree to.

We also cover "loss" to, or "accidents" involving, a covered "auto" while being transported between any of these places.

## 8. Two Or More Coverage Forms Or Policies Issued By Us

If this Coverage Form and any other Coverage Form or policy issued to you by us or any company affiliated with us applies to the same "accident", the aggregate maximum Limit of Insurance under all the Coverage Forms or policies shall not exceed the highest applicable Limit of Insurance under any one Coverage Form or policy. This condition does not apply to any Coverage Form or policy issued by us or an affiliated company specifically to apply as excess insurance over this Coverage Form.

## SECTION V – DEFINITIONS

- A. "Accident" includes continuous or repeated exposure to the same conditions resulting in "bodily injury" or "property damage".
- B. "Auto" means:
  1. A land motor vehicle, "trailer" or semitrailer designed for travel on public roads; or

2. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

- C. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these.
- D. "Covered pollution cost or expense" means any cost or expense arising out of:

1. Any request, demand, order or statutory or regulatory requirement that any "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
2. Any claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

"Covered pollution cost or expense" does not include any cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- a. That are, or that are contained in any property that is:
  - (1) Being transported or towed by, handled or handled for movement into, onto or from the covered "auto";
  - (2) Otherwise in the course of transit by or on behalf of the "insured"; or
  - (3) Being stored, disposed of, treated or processed in or upon the covered "auto";
- b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or
- c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".



Paragraph **a.** above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if:

- (1) The "pollutants" escape, seep, migrate or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and
- (2) The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in Paragraph **6.b.** or **6.c.** of the definition of "mobile equipment".

Paragraphs **b.** and **c.** above do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (a) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and
- (b) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

- E.** "Diminution in value" means the actual or perceived loss in market value or resale value which results from a direct and accidental "loss".
- F.** "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
- G.** "Insured" means any person or organization qualifying as an insured in the Who Is An Insured provision of the applicable coverage. Except with respect to the Limit of Insurance, the coverage afforded applies separately to each insured who is seeking coverage or against whom a claim or "suit" is brought.
- H.** "Insured contract" means:
1. A lease of premises;
  2. A sidetrack agreement;
  3. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
  4. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

5. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another to pay for "bodily injury" or "property damage" to a third party or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement; or
6. That part of any contract or agreement entered into, as part of your business, pertaining to the rental or lease, by you or any of your "employees", of any "auto". However, such contract or agreement shall not be considered an "insured contract" to the extent that it obligates you or any of your "employees" to pay for "property damage" to any "auto" rented or leased by you or any of your "employees".

An "insured contract" does not include that part of any contract or agreement:

- a. That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
  - b. That pertains to the loan, lease or rental of an "auto" to you or any of your "employees", if the "auto" is loaned, leased or rented with a driver; or
  - c. That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority.
- I.** "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
- J.** "Loss" means direct and accidental loss or damage.
- K.** "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
1. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
  2. Vehicles maintained for use solely on or next to premises you own or rent;
  3. Vehicles that travel on crawler treads;

4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
  - a. Power cranes, shovels, loaders, diggers or drills; or
  - b. Road construction or resurfacing equipment such as graders, scrapers or rollers;
5. Vehicles not described in Paragraph 1., 2., 3. or 4. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - a. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well-servicing equipment; or
  - b. Cherry pickers and similar devices used to raise or lower workers; or
6. Vehicles not described in Paragraph 1., 2., 3. or 4. above maintained primarily for purposes other than the transportation of persons or cargo. However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":
  - a. Equipment designed primarily for:
    - (1) Snow removal;
    - (2) Road maintenance, but not construction or resurfacing; or
    - (3) Street cleaning;
  - b. Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
  - c. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting or well-servicing equipment.

However, "mobile equipment" does not include land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

- L. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- M. "Property damage" means damage to or loss of use of tangible property.
- N. "Suit" means a civil proceeding in which:
  1. Damages because of "bodily injury" or "property damage"; or
  2. A "covered pollution cost or expense";
 to which this insurance applies, are alleged.
 

"Suit" includes:

  - a. An arbitration proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the "insured" must submit or does submit with our consent; or
  - b. Any other alternative dispute resolution proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the insured submits with our consent.
- O. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
- P. "Trailer" includes semitrailer.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EMPLOYEE HIRED AUTOS**

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM  
BUSINESS AUTO COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

### **A. Changes In Covered Autos Liability Coverage**

The following is added to the **Who Is An Insured** Provision:

An "employee" of yours is an "insured" while operating an "auto" hired or rented under a contract or agreement in an "employee's" name, with your permission, while performing duties related to the conduct of your business.

2. Any covered "auto" hired or rented by your "employee" under a contract in an "employee's" name, with your permission, while performing duties related to the conduct of your business.

However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".

### **B. Changes In General Conditions**

Paragraph **5.b.** of the **Other Insurance** Condition in the Business Auto and Auto Dealers Coverage Forms and Paragraph **5.f.** of the **Other Insurance – Primary And Excess Insurance Provisions** Condition in the Motor Carrier Coverage Form are replaced by the following:

For Hired Auto Physical Damage Coverage, the following are deemed to be covered "autos" you own:

1. Any covered "auto" you lease, hire, rent or borrow; and

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXPLOSIVES**

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

**Covered Autos Liability Coverage** is changed by adding the following exclusion:

This insurance does not apply to:

"Bodily injury" or "property damage" caused by the explosion of explosives you make, sell or transport.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **MICHIGAN CHANGES**

For a covered "auto" licensed or principally garaged in, or "auto dealer operations" conducted in, Michigan, this endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM  
BUSINESS AUTO COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

### **A. Changes In Covered Autos Liability Coverage**

1. For a covered "auto" subject to the Michigan no-fault law, **Covered Autos Liability Coverage** does not apply to "property damage" to a motor vehicle caused by an "accident" "occurring" in Michigan.

2. Paragraph **2.b.(4)** of the **Who Is An Insured** Provision in the Auto Dealers Coverage Form is replaced by the following:

**(4)** Your customers. However, those customers are "insureds" up to the compulsory or financial responsibility law limits where the covered "auto" is principally garaged.

3. The **Expected Or Intended Injury** Exclusion is replaced by the following:

#### **Expected Or Intended Injury**

"Bodily injury" or "property damage" expected or intended from the standpoint of the "insured".

However, this exclusion does not apply for coverage up to the minimum limit specified by the Michigan Financial Responsibility Act.

4. The **Racing** Exclusion is replaced by the following:

#### **Racing**

Covered "autos" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply while that covered "auto" is being prepared for such a contest or activity.

However, this exclusion does not apply for coverage up to the minimum limit specified by the Michigan Financial Responsibility Act.

### **B. Changes In Physical Damage Coverage**

Any **Physical Damage Coverage** and any **Rental Reimbursement Coverage** provided by the Policy do not apply to the extent that Property Protection Coverage benefits are available as required by Michigan law.

### **C. Changes In Conditions**

1. The **Duties In The Event Of Accident, Claim, Suit Or Loss** Condition in the Business Auto and Motor Carrier Coverage Forms and the **Duties In The Event Of Accident, Claim, Offense, Suit, Loss Or Acts, Errors Or Omissions** Condition in the Auto Dealers Coverage Form are amended to:

- a. Revise Paragraph **a.** to allow you, or anyone on your behalf, to provide the notice necessary to satisfy this condition.

- b. Add the following paragraph:

Failure to give any notice required by this Condition within the time period specified shall not invalidate any claim made by you if it shall be shown not to have been reasonably possible to give notice within the prescribed time period and that notice was given as soon as was reasonably possible.

2. The **Concealment, Misrepresentation Or Fraud** Condition is replaced by the following:

**Concealment, Misrepresentation Or Fraud**

We do not provide coverage in any case of fraud by you at any time as it relates to this Coverage Form. We also do not provide coverage if you or any other "insured", at any time, intentionally conceals or misrepresents a material fact concerning:

a. This Coverage Form;

b. The covered "auto";

c. Your interest in the covered "auto"; or

d. A claim under this Coverage Form.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **MICHIGAN CHANGES – CANCELLATION AND NONRENEWAL**

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM  
BUSINESS AUTO COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

If you are an individual and the covered "auto" you own is of the "private passenger type" and the Policy covers fewer than five "autos", the **Cancellation** Common Policy Condition does not apply to that "auto". The following condition applies instead:

### **Ending This Policy**

#### **A. Cancellation**

1. You may cancel the Policy by giving us notice of cancellation.
2. When this Policy is in effect less than 55 days and is not a renewal or continuation policy, we may cancel for any reason by mailing or delivering to you within this period written notice of cancellation at least 20 days before the effective date of cancellation. If we cancel for nonpayment of premium, we will mail or deliver notice to you at least 10 days before the effective date of cancellation.
3. When this Policy is in effect 55 days or more or is a renewal or continuation policy, we may cancel only for one or more of the reasons listed below. If we cancel for nonpayment of premium, we will mail you at least 10 days' notice. If we cancel for any other reason, we will mail you at least 30 days' notice.
  - a. Nonpayment of premium.
  - b. The named "insured" or any other operator who either resides in the same household or customarily operates an "auto" has had his or her driver's license suspended during the policy period and the revocation or suspension has become final.

- c. If during the first 55 days after the original issue date of the Policy the risk is unacceptable to us.

But if this Policy has been written for a period of more than a year or without a fixed expiration date, we may cancel at an anniversary of its original effective date for any reason. If we cancel, we will mail or deliver to you at least 30 days' written notice.

4. Notice of cancellation will state the effective date of cancellation.
5. If this Policy is cancelled, we will send you any pro rata premium refund due. The minimum earned premium shall not be less than the pro rata premium for the expired time or \$25.00, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.

#### **B. Nonrenewal**

1. If we decide not to renew or continue this Policy, we will mail or deliver to you written notice at least 30 days before the end of the policy period. If we offer to renew or continue and you do not accept, this Policy will terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.
2. If we fail to mail or deliver proper notice of nonrenewal and you obtain other insurance this Policy will end on the effective date of that insurance.

### C. Mailing Of Notices

We will mail by certified mail our notice of cancellation to your last mailing address known to us, except that if the Policy is in effect less than 55 days or is a renewal policy or is cancelled for nonpayment of premium, we will mail you notice by regular mail. If notice is mailed, proof of mailing will be sufficient proof of notice.

For all other "private passenger types", the **Cancellation** Common Policy Condition does not apply to Covered Autos Liability Coverage on a covered "auto" of the "private passenger type". The following condition applies instead:

### Ending This Policy

#### A. Cancellation

1. You may cancel the Policy by giving us notice of cancellation.
2. When this Policy is in effect less than 55 days and is not a renewal or continuation policy, we may cancel for any reason by mailing or delivering to you within this period written notice of cancellation at least 20 days before the effective date of cancellation. If we cancel for nonpayment of premium, we will mail or deliver notice to you at least 10 days before the effective date of cancellation.
3. When this Policy is in effect 55 days or more or is a renewal or continuation policy, we may cancel only for one or more of the reasons listed below. If we cancel for nonpayment of premium, we will mail you at least 10 days' notice. If we cancel for any other reason, we will mail you at least 20 days' notice.
  - a. Nonpayment of premium.
  - b. The named "insured" or any other operator who either resides in the same household or customarily operates an "auto" has had his or her driver's license suspended during the policy period and the revocation or suspension has become final.

- c. If during the first 55 days after the original issue date of the Policy the risk is unacceptable to us.

But if this Policy has been written for a period of more than a year or without a fixed expiration date, we may cancel at an anniversary of its original effective date for any reason. If we cancel, we will mail or deliver to you at least 20 days' written notice.

4. Notice of cancellation will state the effective date of cancellation.
5. If this Policy is cancelled, we will send the first Named Insured any pro rata premium refund due. The minimum earned premium shall not be less than the pro rata premium for the expired time or \$25.00, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.

#### B. Nonrenewal

1. If we decide not to renew or continue this Policy, we will mail or deliver to you written notice at least 20 days before the end of the policy period. If we offer to renew or continue and you do not accept, this Policy will terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.
2. If we fail to mail or deliver proper notice of nonrenewal and you obtain other insurance this Policy will end on the effective date of that insurance.

### C. Mailing Of Notices

We will mail by certified mail our notice of cancellation to your last mailing address known to us, except that if the Policy is in effect less than 55 days or is a renewal policy or is cancelled for nonpayment of premium, we will mail you notice by regular mail. If notice is mailed, proof of mailing will be sufficient proof of notice.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **MICHIGAN PUBLIC OR LIVERY PASSENGER CONVEYANCE, TRANSPORTATION NETWORK AND ON-DEMAND DELIVERY SERVICES EXCLUSION**

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM  
BUSINESS AUTO COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

### **A. Changes In Covered Autos Liability Coverage**

The following exclusion is added.

#### **Public Or Livery Passenger Conveyance And On-demand Delivery Services**

This insurance does not apply to any covered "auto" while being used:

1. As a public or livery conveyance for passengers. This includes, but is not limited to, any period of time a covered "auto" is being used by an "insured" who is logged into a "transportation network platform" as a driver, whether or not a passenger is "occupying" the covered "auto"; or
2. By an "insured" who is logged into a "transportation network platform" or "delivery network platform" as a driver to provide "delivery services", whether or not the goods, items or products to be delivered are in the covered "auto".

### **B. Changes In Physical Damage Coverage**

The following exclusion is added:

#### **Public Or Livery Passenger Conveyance And On-demand Delivery Services**

We will not pay for "loss" to any covered "autos" while being used:

1. As a public or livery conveyance for passengers. This includes, but is not limited to, any period of time a covered "auto" is being used by an "insured" who is logged into a "transportation network platform" as a driver, whether or not a passenger is "occupying" the covered "auto"; or

2. By an "insured" who is logged into a "transportation network platform" or "delivery network platform" as a driver to provide "delivery services", whether or not the goods, items or products to be delivered are in the covered "auto".

### **C. Changes In Auto Medical Payments**

If Auto Medical Payments Coverage is attached, then the following exclusion is added:

#### **Public Or Livery Passenger Conveyance And On-demand Delivery Services**

This insurance does not apply to:

"Bodily injury" sustained by an "insured" "occupying" a covered "auto" while it is being used:

1. As a public or livery conveyance for passengers. This includes, but is not limited to, any period of time a covered "auto" is being used by an "insured" who is logged into a "transportation network platform" as a driver, whether or not a passenger is "occupying" the covered "auto"; or
2. By an "insured" who is logged into a "transportation network platform" or "delivery network platform" as a driver to provide "delivery services", whether or not the goods, items or products to be delivered are in the covered "auto".

#### **D. Changes In Uninsured Motorists Coverage**

If Uninsured Motorists Coverage is attached, then the following exclusion is added:

##### **Public Or Livery Passenger Conveyance And On-demand Delivery Services**

This insurance does not apply to any covered "auto" while being used:

1. As a public or livery conveyance for passengers. This includes, but is not limited to, any period of time a covered "auto" is being used by an "insured" who is logged into a "transportation network platform" as a driver, whether or not a passenger is "occupying" the covered "auto"; or
2. By an "insured" who is logged into a "transportation network platform" or "delivery network platform" as a driver to provide "delivery services", whether or not the goods, items or products to be delivered are in the covered "auto".

#### **E. Changes In Personal Injury Protection Coverage**

If Personal Injury Protection Coverage is attached, then the following exclusion is added:

##### **Transportation Network And On-demand Delivery Services**

This insurance does not apply to any covered "auto" while being used:

1. During any period of time, by an "insured" who is logged into a "transportation network platform" as a driver, whether or not a passenger is "occupying" the covered "auto"; or
2. By an "insured" who is logged into a "transportation network platform" or "delivery network platform" as a driver to provide "delivery services", whether or not the goods, items or products to be delivered are in the covered "auto".

#### **F. Changes In Property Protection Coverage**

If Property Protection Coverage is attached, then the following exclusion is added:

##### **Transportation Network And On-demand Delivery Services**

This insurance does not apply to any covered "auto" while being used:

1. During any period of time, by an "insured" who is logged into a "transportation network platform" as a driver, whether or not a passenger is "occupying" the covered "auto"; or
2. By an "insured" who is logged into a "transportation network platform" or "delivery network platform" as a driver to provide "delivery services", whether or not the goods, items or products to be delivered are in the covered "auto".

#### **G. Additional Definitions**

As used in this endorsement:

1. "Delivery network platform" means an online-enabled application or digital network, used to connect customers:
  - a. With drivers; or
  - b. With local vendors using drivers;for the purpose of providing prearranged "delivery services" for compensation. A "delivery network platform" does not include a "transportation network platform".
2. "Delivery services" includes courier services.
3. "Occupying" means in, upon, getting in, on, out or off.
4. "Transportation network platform" means an online-enabled application or digital network used to connect passengers with drivers using vehicles for the purpose of providing prearranged transportation services for compensation.

**Commercial Liability Umbrella Coverage Declarations**

**Customer Number:** 0110398633

**Policy Number:** 1364094 09

**Policy Period:** 08/23/2019 to 08/23/2020

at 12:01 AM Standard Time at Your Mailing Address Shown Below

**Named Insured and Address:**

Paradigm Care & Enrichment Center, LLC  
1401 Malcolm Dr  
Waterford, MI 48327-4186

**Agency Name and Address:**

DOEREN MAYHEW INSURANCE GROUP  
305 W BIG BEAVER RD., STE 102  
TROY, MI 48084  
248-290-0650

21987

**Limits of Insurance**

Aggregate Limit \$1,000,000  
(Except with Respect to "Covered Autos")

Personal and Advertising Injury Limit \$1,000,000

Each Occurrence \$1,000,000

Terrorism Risk Insurance Act Rejected

**Umbrella Premium** \$550

**This is not a bill.** A billing invoice will be sent separately.

See attached schedule for forms applicable to all coverage parts.

Countersignature

Date

(Authorized Representative)

**Commercial Liability Umbrella Coverage Declarations**

**Customer Number:** 0110398633

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248-290-0650

21987

**Retained Limit**

Self-Insured Retention

Waived

**Schedule of Underlying Insurance**

**Businessowners Liability (SBOP)**

Insurer: West Bend Mutual Insurance Company

Policy Number: 1364094

Policy Term: Refer to Underlying Policy

Coverage Form: Occurrence

Limits of Insurance:

Each Occurrence \$1,000,000

Personal and Advertising Injury \$1,000,000

Products/Completed Operations Aggregate \$2,000,000

General Aggregate \$2,000,000

**Automobile Liability**

Insurer: West Bend Mutual Insurance Company

Policy Number: 1364094

Policy Term: Refer to Underlying Policy

Limits of Insurance:

Each Accident \$1,000,000



**Commercial Liability Umbrella Coverage Declarations**

**Customer Number:** 0110398633

**Policy Number:** 1364094 09

**Policy Period:** 08/23/2019 to 08/23/2020

at 12:01 AM Standard Time at Your Mailing Address Shown Below

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248-290-0650

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**Miscellaneous and Endorsement Premium Schedule**

Description	Form Number	Premium
Total Miscellaneous and Endorsement Premium:		\$0

**Commercial Liability Umbrella Coverage Declarations**

**Customer Number:** 0110398633

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**Forms Schedule**

Number	Edition	Description
CU0001	0413	COMMERCIAL LIABILITY UMBRELLA COVERAGE FORM
CU2104	0305	EXCLUSION - NEW ENTITIES
CU2111Z	0900	LIMITATION OF COVERAGE TO DESIGNATED PREMISES OR PROJECT
CU2123	0202	NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT
CU2126	0413	EXCLUSION - CROSS SUITS LIABILITY
CU2127	1204	FUNGI OR BACTERIA EXCLUSION
CU2133	0115	EXCLUSION OF CERTIFIED ACTS OF TERRORISM
CU2150	0305	SILICA OR SILICA-RELATED DUST EXCLUSION
CU2151	1205	TOTAL POLLUTION EXCLUSION WITH A HOSTILE FIRE EXCEPTION
CU2171	0615	EXCLUSION - UNMANNED AIRCRAFT
CU2186	0514	EXCLUSION - ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION AND DATA-RELATED LIABILITY - WITH LIMITED BODILY INJURY EXCEPTION
CU2190	1116	PUBLIC OR LIVERY PASSENGER CONVEYANCE AND ON-DEMAND DELIVERY SERVICES EXCLUSION
NS0010CU	0118	EXCLUSION - CATS AND DOGS DESCRIBED HAZARDS
NS0021CU	0118	EXCLUSION - TRAMPOLINES
NS0029CU	0414	EXCLUSION - DISCRIMINATION

**Commercial Liability Umbrella Coverage Declarations**

**Customer Number:** 0110398633

**Policy Number:** 1364094 09

**Policy Period:** 08/23/2019 to 08/23/2020

at 12:01 AM Standard Time at Your Mailing Address Shown Below

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305 W BIG BEAVER RD., STE 102  
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**Forms Schedule**

Number	Edition	Description
NS0059CU	0118	EXCLUSION - WATER ACTIVITIES
NS0077CU	0414	EXCLUSION - NONCOMPENSATORY DAMAGES
NS0285A	0510	PHYSICAL ABUSE AND SEXUAL MOLESTATION LIABILITY ENDORSEMENT
NS0294	0118	PROFESSIONAL SERVICES CONDITION
WB1061	0414	EXCLUSION - CLAIMS MADE COVERAGE FORMS
WB1468CU	0414	EXCLUSION - ASBESTOS OR ASBESTOS PRODUCTS
WB1958CU	0414	EXCLUSION - LEAD LIABILITY
CU0116	0900	MICHIGAN CHANGES
CU0221	0417	MICHIGAN CHANGES - CANCELLATION AND NONRENEWAL

# COMMERCIAL LIABILITY UMBRELLA COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

## SECTION I – COVERAGES

### COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

#### 1. Insuring Agreement

- a. We will pay on behalf of the insured the "ultimate net loss" in excess of the "retained limit" because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking damages for such "bodily injury" or "property damage" when the "underlying insurance" does not provide coverage or the limits of "underlying insurance" have been exhausted. When we have no duty to defend, we will have the right to defend, or to participate in the defense of, the insured against any other "suit" seeking damages to which this insurance may apply. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. At our discretion, we may investigate any "occurrence" that may involve this insurance and settle any resultant claim or "suit" for which we have the duty to defend. But:
  - (1) The amount we will pay for the "ultimate net loss" is limited as described in Section III – Limits Of Insurance; and
  - (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B.
- b. This insurance applies to "bodily injury" or "property damage" that is subject to an applicable "retained limit". If any other limit, such as a sublimit, is specified in the "underlying insurance", this insurance does not apply to "bodily injury" or "property damage" arising out of that exposure unless that limit is specified in the Declarations under the Schedule of "underlying insurance".
- c. This insurance applies to "bodily injury" and "property damage" only if:
  - (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
  - (2) The "bodily injury" or "property damage" occurs during the policy period; and
  - (3) Prior to the policy period, no insured listed under Paragraph 1.a. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.
- d. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1.a. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

e. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1.a. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

f. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

## 2. Exclusions

This insurance does not apply to:

### a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

### b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
  - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and

(b) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

### c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in:

- (a) The supervision, hiring, employment, training or monitoring of others by that insured; or
- (b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the "occurrence" which caused the "bodily injury" or "property damage" involved that which is described in Paragraph (1), (2) or (3) above.

However, this exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

This exclusion does not apply to the extent that valid "underlying insurance" for the liquor liability risks described above exists or would have existed but for the exhaustion of underlying limits for "bodily injury" and "property damage". To the extent this exclusion does not apply, the insurance provided under this Coverage Part for the liquor liability risks described above will follow the same provisions, exclusions and limitations that are contained in the applicable "underlying insurance", unless otherwise directed by this insurance.

**d. Workers' Compensation And Similar Laws**

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

**e. ERISA**

Any obligation of the insured under the Employee Retirement Income Security Act of 1974 (ERISA), and any amendments thereto or any similar federal, state or local statute.

**f. Auto Coverages**

- (1) "Bodily injury" or "property damage" arising out of the ownership, maintenance or use of any "auto" which is not a "covered auto"; or
- (2) Any loss, cost or expense payable under or resulting from any first-party physical damage coverage; no-fault law; personal injury protection or auto medical payments coverage; or uninsured or underinsured motorist law.

**g. Employer's Liability**

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
  - (a) Employment by the insured; or
  - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity, and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

With respect to injury arising out of a "covered auto", this exclusion does not apply to "bodily injury" to domestic "employees" not entitled to workers' compensation benefits. For the purposes of this insurance, a domestic "employee" is a person engaged in household or domestic work performed principally in connection with a residence premises.

This exclusion does not apply to the extent that valid "underlying insurance" for the employer's liability risks described above exists or would have existed but for the exhaustion of underlying limits for "bodily injury". To the extent this exclusion does not apply, the insurance provided under this Coverage Part for the employer's liability risks described above will follow the same provisions, exclusions and limitations that are contained in the applicable "underlying insurance", unless otherwise directed by this insurance.

**h. Employment-related Practices**

"Bodily injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraph (a), (b), or (c) above is directed.

This exclusion applies whether the injury-causing event described in Paragraph (a), (b) or (c) above occurs before employment, during employment or after employment of that person.

This exclusion applies whether the insured may be liable as an employer or in any other capacity, and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

**i. Pollution**

- (1) "Bodily injury" or "property damage" which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time; or
- (2) "Pollution cost or expense".



This exclusion does not apply if valid "underlying insurance" for the pollution liability risks described above exists or would have existed but for the exhaustion of underlying limits for "bodily injury" and "property damage". To the extent this exclusion does not apply, the insurance provided under this Coverage Part for the pollution risks described above will follow the same provisions, exclusions and limitations that are contained in the applicable "underlying insurance", unless otherwise directed by this insurance.

**j. Aircraft Or Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
  - (a) Less than 50 feet long; and
  - (b) Not being used to carry persons or property for a charge;
- (3) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft;
- (4) The extent that valid "underlying insurance" for the aircraft or watercraft liability risks described above exists or would have existed but for the exhaustion of underlying limits for "bodily injury" or "property damage". To the extent this exclusion does not apply, the insurance provided under this Coverage Part for the aircraft or watercraft risks described above will follow the same provisions, exclusions and limitations that are contained in the "underlying insurance", unless otherwise directed by this insurance; or

**(5) Aircraft that is:**

- (a) Chartered by, loaned to, or hired by you with a paid crew; and
- (b) Not owned by any insured.

**k. Racing Activities**

"Bodily injury" or "property damage" arising out of the use of "mobile equipment" or "autos" in, or while in practice for, or while being prepared for, any prearranged professional or organized racing, speed, demolition, or stunting activity or contest.

**l. War**

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**m. Damage To Property**

"Property damage" to:

- (1) Property:
  - (a) You own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property; or
  - (b) Owned or transported by the insured and arising out of the ownership, maintenance or use of a "covered auto".
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or

- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (1)(b), (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraphs (3) and (4) of this exclusion do not apply to liability assumed under a written Trailer Interchange agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

**n. Damage To Your Product**

"Property damage" to "your product" arising out of it or any part of it.

**o. Damage To Your Work**

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

**p. Damage To Impaired Property Or Property Not Physically Injured**

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

**q. Recall Of Products, Work Or Impaired Property**

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or

- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

**r. Personal And Advertising Injury**

"Bodily injury" arising out of "personal and advertising injury".

**s. Professional Services**

"Bodily injury" or "property damage" due to rendering of or failure to render any professional service. This includes but is not limited to:

- (1) Legal, accounting or advertising services;
- (2) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings or specifications;
- (3) Inspection, supervision, quality control, architectural or engineering activities done by or for you on a project on which you serve as construction manager;
- (4) Engineering services, including related supervisory or inspection services;
- (5) Medical, surgical, dental, X-ray or nursing services treatment, advice or instruction;
- (6) Any health or therapeutic service treatment, advice or instruction;
- (7) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement, or personal grooming or therapy;
- (8) Any service, treatment, advice or instruction relating to physical fitness, including service, treatment, advice or instruction in connection with diet, cardiovascular fitness, bodybuilding or physical training programs;
- (9) Optometry or optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;
- (10) Body piercing services;
- (11) Services in the practice of pharmacy;
- (12) Law enforcement or firefighting services; and
- (13) Handling, embalming, disposal, burial, cremation or disinterment of dead bodies.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", involved the rendering of or failure to render any professional service.

**t. Electronic Data**

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access or inability to manipulate electronic data.

However, this exclusion does not apply to liability for damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

This exclusion does not apply if valid "underlying insurance" for the electronic data risks described above exists or would have existed but for the exhaustion of underlying limits for "bodily injury" and "property damage". The insurance provided under this Coverage Part will follow the same provisions, exclusions and limitations that are contained in the applicable "underlying insurance", unless otherwise directed by this insurance.

**u. Recording And Distribution Of Material Or Information In Violation Of Law**

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

**COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY**

**1. Insuring Agreement**

- a. We will pay on behalf of the insured the "ultimate net loss" in excess of the "retained limit" because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking damages for such "personal and advertising injury" when the "underlying insurance" does not provide coverage or the limits of "underlying insurance" have been exhausted. When we have no duty to defend, we will have the right to defend, or to participate in the defense of, the insured against any other "suit" seeking damages to which this insurance may apply. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. At our discretion, we may investigate any offense that may involve this insurance and settle any resultant claim or "suit" for which we have the duty to defend. But:

- (1) The amount we will pay for the "ultimate net loss" is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "personal and advertising injury" that is subject to an applicable "retained limit". If any other limit, such as a sublimit, is specified in the "underlying insurance", this insurance does not apply to "personal and advertising injury" arising out of that exposure unless that limit is specified in the Declarations under the Schedule of "underlying insurance".
- c. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

## 2. Exclusions

This insurance does not apply to:

### a. "Personal and advertising injury":

#### (1) Knowing Violation Of Rights Of Another

Caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

#### (2) Material Published With Knowledge Of Falsity

Arising out of oral or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity.

#### (3) Material Published Prior To Policy Period

Arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period.

#### (4) Criminal Acts

Arising out of a criminal act committed by or at the direction of the insured.

#### (5) Contractual Liability

For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to:

- (a) Liability for damages that the insured would have in the absence of the contract or agreement.
- (b) Liability for false arrest, detention or imprisonment assumed in a contract or agreement.

#### (6) Breach Of Contract

Arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

#### (7) Quality Or Performance Of Goods – Failure To Conform To Statements

Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

#### (8) Wrong Description Of Prices

Arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

#### (9) Infringement Of Copyright, Patent, Trademark Or Trade Secret

Arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

#### (10) Insureds In Media And Internet Type Businesses

Committed by an insured whose business is:

- (a) Advertising, broadcasting, publishing or telecasting;
- (b) Designing or determining content of web sites for others; or
- (c) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs 14.a., b. and c. of "personal and advertising injury" under the Definitions section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

#### (11) Electronic Chatrooms Or Bulletin Boards

Arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

#### (12) Unauthorized Use Of Another's Name Or Product

Arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

#### (13) Pollution

Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

**(14) Employment-related Practices**

To:

- (a) A person arising out of any:
  - (i) Refusal to employ that person;
  - (ii) Termination of that person's employment; or
  - (iii) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (b) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraph (i), (ii) or (iii) above is directed.

This exclusion applies whether the injury-causing event described in Paragraph (i), (ii) or (iii) above occurs before employment, during employment or after employment of that person.

This exclusion applies whether the insured may be liable as an employer or in any other capacity, and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

**(15) Professional Services**

Arising out of the rendering of or failure to render any professional service. This includes but is not limited to:

- (a) Legal, accounting or advertising services;
- (b) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings or specifications;
- (c) Inspection, supervision, quality control, architectural or engineering activities done by or for you on a project on which you serve as construction manager;
- (d) Engineering services, including related supervisory or inspection services;
- (e) Medical, surgical, dental, X-ray or nursing services treatment, advice or instruction;

- (f) Any health or therapeutic service treatment, advice or instruction;
- (g) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement, or personal grooming or therapy;
- (h) Any service, treatment, advice or instruction relating to physical fitness, including service, treatment, advice or instruction in connection with diet, cardiovascular fitness, bodybuilding or physical training programs;
- (i) Optometry or optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;
- (j) Body piercing services;
- (k) Services in the practice of pharmacy;
- (l) Law enforcement or firefighting services; and
- (m) Handling, embalming, disposal, burial, cremation or disinterment of dead bodies.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the offense which caused the "personal and advertising injury", involved the rendering of or failure to render any professional service.

**(16) War**

However caused, arising, directly or indirectly, out of:

- (a) War, including undeclared or civil war;
- (b) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (c) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.



**(17) Recording And Distribution Of Material Or Information In Violation Of Law**

Arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (a)** The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (b)** The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (c)** The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
- (d)** Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

b. "Pollution cost or expense".

**SUPPLEMENTARY PAYMENTS – COVERAGES A AND B**

- 1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend, when the duty to defend exists:
  - a. All expenses we incur.
  - b. Up to \$2,000 for cost of bail bonds (including bonds for related traffic law violations) required because of an "occurrence" we cover. We do not have to furnish these bonds.
  - c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
  - d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
  - e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.

f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.

- g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

- 2. When we have the right but not the duty to defend the insured and elect to participate in the defense, we will pay our own expenses but will not contribute to the expenses of the insured or the "underlying insurer".
- 3. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
  - a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
  - b. This insurance applies to such liability assumed by the insured;
  - c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
  - d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
  - e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
  - f. The indemnitee:
    - (1) Agrees in writing to:
      - (a) Cooperate with us in the investigation, settlement or defense of the "suit";
      - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
      - (c) Notify any other insurer whose coverage is available to the indemnitee; and



- Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

- (3) Any person or organization having proper temporary custody of your property if you die, but only:
    - (a) With respect to liability arising out of the maintenance or use of that property; and
    - (b) Until your legal representative has been appointed.
  - (4) Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
  - c. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
    - (1) Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
    - (2) Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
    - (3) Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.
2. Only with respect to liability arising out of the ownership, maintenance or use of "covered autos":
- a. You are an insured.
  - b. Anyone else while using with your permission a "covered auto" you own, hire or borrow is also an insured except:
    - (1) The owner or anyone else from whom you hire or borrow a "covered auto". This exception does not apply if the "covered auto" is a trailer or semitrailer connected to a "covered auto" you own.
    - (2) Your "employee" if the "covered auto" is owned by that "employee" or a member of his or her household.
    - (3) Someone using a "covered auto" while he or she is working in a business of selling, servicing, repairing, parking or storing "autos" unless that business is yours.
  - (4) Anyone other than your "employees", partners (if you are a partnership), members (if you are a limited liability company), or a lessee or borrower or any of their "employees", while moving property to or from a "covered auto".
  - (5) A partner (if you are a partnership), or a member (if you are a limited liability company) for a "covered auto" owned by him or her or a member of his or her household.
  - (6) "Employees" with respect to "bodily injury" to:
    - (a) Any fellow "employee" of the insured arising out of and in the course of the fellow "employee's" employment or while performing duties related to the conduct of your business; or
    - (b) The spouse, child, parent, brother or sister of that fellow "employee" as a consequence of Paragraph (a) above.
- c. Anyone liable for the conduct of an insured described above is also an insured, but only to the extent of that liability.
3. Any additional insured under any policy of "underlying insurance" will automatically be an insured under this insurance.
- Subject to Section III – Limits Of Insurance, if coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:
- a. Required by the contract or agreement, less any amounts payable by any "underlying insurance"; or
  - b. Available under the applicable Limits of Insurance shown in the Declarations; whichever is less.
- Additional insured coverage provided by this insurance will not be broader than coverage provided by the "underlying insurance".
- No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

### SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds;
  - b. Claims made, "suits" brought, or number of vehicles involved; or
  - c. Persons or organizations making claims or bringing "suits".
2. The Aggregate Limit is the most we will pay for the sum of all "ultimate net loss" under:
  - a. Coverage **A**, except "ultimate net loss" because of "bodily injury" or "property damage" arising out of the ownership, maintenance or use of a "covered auto"; and
  - b. Coverage **B**.
3. Subject to Paragraph 2. above, the Each Occurrence Limit is the most we will pay for the sum of all "ultimate net loss" under Coverage **A** because of all "bodily injury" and "property damage" arising out of any one "occurrence".
4. Subject to Paragraph 2. above, the Personal And Advertising Injury Limit is the most we will pay under Coverage **B** for the sum of all "ultimate net loss" because of all "personal and advertising injury" sustained by any one person or organization.
5. If there is "underlying insurance" with a policy period that is nonconcurrent with the policy period of this Commercial Liability Umbrella Coverage Part, the "retained limit(s)" will only be reduced or exhausted by payments for:
  - a. "Bodily injury" or "property damage" which occurs during the policy period of this Coverage Part; or
  - b. "Personal and advertising injury" for offenses that are committed during the policy period of this Coverage Part.

However, if any "underlying insurance" is written on a claims-made basis, the "retained limit(s)" will only be reduced or exhausted by claims for that insurance that are made during the policy period, or any Extended Reporting Period, of this Coverage Part.

The Aggregate Limit, as described in Paragraph 2. above, applies separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

### SECTION IV – CONDITIONS

#### 1. Appeals

If the "underlying insurer" or insured elects not to appeal a judgment in excess of the "retained limit", we may do so at our own expense. We will also pay for taxable court costs, pre- and postjudgment interest and disbursements associated with such appeal. In no event will this provision increase our liability beyond the applicable Limits of Insurance described in Section III – Limits Of Insurance.

#### 2. Bankruptcy

##### a. Bankruptcy Of Insured

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

##### b. Bankruptcy Of Underlying Insurer

Bankruptcy or insolvency of the "underlying insurer" will not relieve us of our obligations under this Coverage Part.

However, this insurance will not replace the "underlying insurance" in the event of bankruptcy or insolvency of the "underlying insurer". This insurance will apply as if the "underlying insurance" were in full effect.

#### 3. Duties In The Event Of Occurrence, Offense, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense, regardless of the amount, which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

- b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

- c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";

- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

#### 4. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

#### 5. Other Insurance

- a. This insurance is excess over, and shall not contribute with any of the other insurance, whether primary, excess, contingent or on any other basis. This condition will not apply to insurance specifically written as excess over this Coverage Part.

When this insurance is excess, we will have no duty under Coverages **A** or **B** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

- b. When this insurance is excess over other insurance, we will pay only our share of the "ultimate net loss" that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of the insurance provided under this Coverage Part; and

- (2) The total of all deductible and self-insured amounts under all that other insurance.

#### 6. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

#### 7. Representations Or Fraud

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us;
- c. We have issued this policy in reliance upon your representations; and
- d. This policy is void in any case of fraud by you as it relates to this policy or any claim under this policy.

#### 8. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

#### 9. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.



## 10. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

## 11. Loss Payable

Liability under this Coverage Part does not apply to a given claim unless and until:

- a. The insured or insured's "underlying insurer" has become obligated to pay the "retained limit"; and
- b. The obligation of the insured to pay the "ultimate net loss" in excess of the "retained limit" has been determined by a final settlement or judgment or written agreement among the insured, claimant and us.

## 12. Transfer Of Defense

When the underlying limits of insurance have been used up in the payment of judgments or settlements, the duty to defend will be transferred to us. We will cooperate in the transfer of control to us of any outstanding claims or "suits" seeking damages to which this insurance applies which would have been covered by the "underlying insurance" had the applicable limit not been used up.

## 13. Maintenance Of/Changes To Underlying Insurance

Any "underlying insurance" must be maintained in full effect without reduction of coverage or limits except for the reduction of the aggregate limit in accordance with the provisions of such "underlying insurance" that results from payment of claims, settlement or judgments to which this insurance applies.

Such exhaustion or reduction is not a failure to maintain "underlying insurance". Failure to maintain "underlying insurance" will not invalidate insurance provided under this Coverage Part, but insurance provided under this Coverage Part will apply as if the "underlying insurance" were in full effect.

If there is an increase in the scope of coverage of any "underlying insurance" during the term of this policy, our liability will be no more than it would have been if there had been no such increase.

You must notify us in writing, as soon as practicable, if any "underlying insurance" is cancelled, not renewed, replaced or otherwise terminated, or if the limits or scope of coverage of any "underlying insurance" is changed.

## 14. Expanded Coverage Territory

- a. If a "suit" is brought in a part of the "coverage territory" that is outside the United States of America (including its territories and possessions), Puerto Rico or Canada, and we are prevented by law, or otherwise, from defending the insured, the insured will initiate a defense of the "suit". We will reimburse the insured, under Supplementary Payments, for any reasonable and necessary expenses incurred for the defense of a "suit" seeking damages to which this insurance applies, that we would have paid had we been able to exercise our right and duty to defend.

If the insured becomes legally obligated to pay sums because of damages to which this insurance applies in a part of the "coverage territory" that is outside the United States of America (including its territories and possessions), Puerto Rico or Canada, and we are prevented by law, or otherwise, from paying such sums on the insured's behalf, we will reimburse the insured for such sums.

- b. All payments or reimbursements we make for damages because of judgments or settlements will be made in U.S. currency at the prevailing exchange rate at the time the insured became legally obligated to pay such sums. All payments or reimbursements we make for expenses under Supplementary Payments will be made in U.S. currency at the prevailing exchange rate at the time the expenses were incurred.
- c. Any disputes between you and us as to whether there is coverage under this policy must be filed in the courts of the United States of America (including its territories and possessions), Canada or Puerto Rico.
- d. The insured must fully maintain any coverage required by law, regulation or other governmental authority during the policy period, except for reduction of the aggregate limits due to payments of claims, judgments or settlements.

Failure to maintain such coverage required by law, regulation or other governmental authority will not invalidate this insurance. However, this insurance will apply as if the required coverage by law, regulation or other governmental authority was in full effect.

## SECTION V – DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
  - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
  - b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. "Auto" means:
  - a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
  - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.However, "auto" does not include "mobile equipment".
3. "Bodily injury" means bodily injury, disability, sickness or disease sustained by a person, including death resulting from any of these at any time. "Bodily injury" includes mental anguish or other mental injury resulting from "bodily injury".
4. "Coverage territory" means anywhere in the world with the exception of any country or jurisdiction which is subject to trade or other economic sanction or embargo by the United States of America.
5. "Covered auto" means only those "autos" to which "underlying insurance" applies.
6. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
7. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.
8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
  - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
  - b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work", or your fulfilling the terms of the contract or agreement.

9. "Insured contract" means:
  - a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
  - b. A sidetrack agreement;
  - c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
  - d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
  - e. An elevator maintenance agreement;
  - f. That part of any contract or agreement entered into, as part of your business, pertaining to the rental or lease, by you or any of your "employees", of any "auto". However, such contract or agreement shall not be considered an "insured contract" to the extent that it obligates you or any of your "employees" to pay for "property damage" to any "auto" rented or leased by you or any of your "employees".
  - g. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraphs f. and g. do not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- (2) That pertains to the loan, lease or rental of an "auto" to you or any of your "employees", if the "auto" is loaned, leased or rented with a driver; or



- (3) That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a "covered auto" over a route or territory that person or organization is authorized to serve by public authority.
10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
11. "Loading or unloading" means the handling of property:
- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
  - b. While it is in or on an aircraft, watercraft or "auto"; or
  - c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;
- but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".
12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
  - b. Vehicles maintained for use solely on or next to premises you own or rent;
  - c. Vehicles that travel on crawler treads;
  - d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
    - (1) Power cranes, shovels, loaders, diggers or drills; or
    - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
  - e. Vehicles not described in Paragraph a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
    - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
    - (2) Cherry pickers and similar devices used to raise or lower workers;
  - f. Vehicles not described in Paragraph a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.
 

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

    - (1) Equipment designed primarily for:
      - (a) Snow removal;
      - (b) Road maintenance, but not construction or resurfacing; or
      - (c) Street cleaning;
    - (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
    - (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".
13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
- a. False arrest, detention or imprisonment;
  - b. Malicious prosecution;
  - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
  - d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
  - e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
  - f. The use of another's advertising idea in your "advertisement"; or
  - g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

15. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

16. "Pollution cost or expense" means any loss, cost or expense arising out of any:

- a. Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- b. Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

17. "Products-completed operations hazard":

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

(1) Products that are still in your physical possession; or

(2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:

(a) When all of the work called for in your contract has been completed.

(b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.

(c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- b. Does not include "bodily injury" or "property damage" arising out of:

(1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured; or

(2) The existence of tools, uninstalled equipment or abandoned or unused materials.

18. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

With respect to the ownership, maintenance or use of "covered autos", property damage also includes "pollution cost or expense", but only to the extent that coverage exists under the "underlying insurance" or would have existed but for the exhaustion of the underlying limits.

For the purposes of this insurance, with respect to other than the ownership, maintenance or use of "covered autos", electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

19. "Retained limit" means the available limits of "underlying insurance" scheduled in the Declarations or the "self-insured retention", whichever applies.

20. "Self-insured retention" means the dollar amount listed in the Declarations that will be paid by the insured before this insurance becomes applicable only with respect to "occurrences" or offenses not covered by the "underlying insurance". The "self-insured retention" does not apply to "occurrences" or offenses which would have been covered by "underlying insurance" but for the exhaustion of applicable limits.

21. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or

- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent or the "underlying insurer's" consent.
- 22. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
- 23. "Ultimate net loss" means the total sum, after reduction for recoveries or salvages collectible, that the insured becomes legally obligated to pay as damages by reason of settlement or judgments or any arbitration or other alternate dispute method entered into with our consent or the "underlying insurer's" consent.
- 24. "Underlying insurance" means any policies of insurance listed in the Declarations under the Schedule of "underlying insurance".
- 25. "Underlying insurer" means any insurer who provides any policy of insurance listed in the Schedule of "underlying insurance".
- 26. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.
- 27. "Your product":
  - a. Means:
    - (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
      - (a) You;
      - (b) Others trading under your name; or
      - (c) A person or organization whose business or assets you have acquired; and
    - (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
  - b. Includes:
    - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
    - (2) The providing of or failure to provide warnings or instructions.
- c. Does not include vending machines or other property rented to or located for the use of others but not sold.
- 28. "Your work":
  - a. Means:
    - (1) Work or operations performed by you or on your behalf; and
    - (2) Materials, parts or equipment furnished in connection with such work or operations.
  - b. Includes:
    - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
    - (2) The providing of or failure to provide warnings or instructions.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION – NEW ENTITIES**

This endorsement modifies insurance provided under the following:

COMMERCIAL LIABILITY UMBRELLA COVERAGE PART

Paragraph 1.c. of **Section II – Who Is An Insured** does not apply.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **LIMITATION OF COVERAGE TO DESIGNATED PREMISES OR PROJECT**

This endorsement modifies insurance provided under the following:

COMMERCIAL LIABILITY UMBRELLA COVERAGE PART

### **SCHEDULE**

<b>Premises:</b>
<b>Project:</b> Childcare activities and operations only

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

Except for liability arising out of the ownership, maintenance or use of "covered autos", this insurance applies only to "bodily injury", "property damage" or "personal and advertising injury" arising out of:

1. The ownership, maintenance or use of the premises shown in the Schedule and operations necessary or incidental to those premises; or

2. The project shown in the Schedule.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (Broad Form)

This endorsement modifies insurance provided under the following:

### COMMERCIAL LIABILITY UMBRELLA COVERAGE PART

**I. The insurance does not apply:**

**A. Under any Liability Coverage, to "bodily injury" or "property damage":**

- (1) With respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or

- (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

**B. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:**

- (1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an insured or (b) has been discharged or dispersed therefrom;

- (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an insured; or

- (3) The "bodily injury" or "property damage" arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this Exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

**II. As used in this endorsement:**

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "Special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".



"Nuclear facility" means:

- (a) Any "nuclear reactor";
- (b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel", or (3) handling, processing or packaging "waste";
- (c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

- (d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION – CROSS SUITS LIABILITY**

This endorsement modifies insurance provided under the following:

### COMMERCIAL LIABILITY UMBRELLA COVERAGE PART

- A. The following exclusion is added to Paragraph 2. Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

**2. Exclusions**

This insurance does not apply to:

**Cross Suits**

Any claim made or "suit" brought by any Named Insured under this policy against another Named Insured under this policy for damages because of "bodily injury" or "property damage".

- B. The following is added to Paragraph 2. Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

**2. Exclusions**

This insurance does not apply to:

**Cross Suits**

Any claim made or "suit" brought by any Named Insured under this policy against another Named Insured under this policy for damages because of "personal and advertising injury".

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **FUNGI OR BACTERIA EXCLUSION**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL LIABILITY UMBRELLA COVERAGE PART**

- A. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

**2. Exclusions**

This insurance does not apply to:

**FUNGI OR BACTERIA**

- a. "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
- b. Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.

- B. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

**2. Exclusions**

This insurance does not apply to:

**FUNGI OR BACTERIA**

- a. "Personal and advertising injury" which would not have taken place, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury.
- b. Any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

- C. The following definition is added to the Definitions Section:**

"Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION OF CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL LIABILITY UMBRELLA COVERAGE PART**

**A. The following exclusion is added:**

This insurance does not apply to:

**TERRORISM**

"Any injury or damage" arising, directly or indirectly, out of a "certified act of terrorism".

**B. The following definitions are added:**

1. For the purposes of this endorsement, "any injury or damage" means any injury or damage covered under any Coverage Part or underlying insurance to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage", "personal and advertising injury", "injury" or "environmental damage" as may be defined in any applicable Coverage Part or underlying insurance.

2. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

a. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

C. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **SILICA OR SILICA-RELATED DUST EXCLUSION**

This endorsement modifies insurance provided under the following:

### COMMERCIAL LIABILITY UMBRELLA COVERAGE PART

- A. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

**2. Exclusions**

This insurance does not apply to:

**SILICA OR SILICA-RELATED DUST**

- a. "Bodily injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, or ingestion of, "silica" or "silica-related dust".
- b. "Property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
- c. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.

- B. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

**2. Exclusions**

This insurance does not apply to:

**SILICA OR SILICA-RELATED DUST**

- a. "Personal and advertising injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
  - b. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.
- C. The following definitions are added to the Definitions Section:**
1. "Silica" means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.
  2. "Silica-related dust" means a mixture or combination of silica and other dust or particles.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## TOTAL POLLUTION EXCLUSION WITH A HOSTILE FIRE EXCEPTION

This endorsement modifies insurance provided under the following:

### COMMERCIAL LIABILITY UMBRELLA COVERAGE PART

Exclusion i. under Paragraph 2. **Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

This insurance does not apply to:

#### i. Pollution

- (1) "Bodily injury" or "property damage" which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

This exclusion does not apply to "bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire" unless that "hostile fire" occurred or originated:

- (a) At any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste; or

- (b) At any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to, or assess the effects of, "pollutants".

For the purposes of this insurance, hostile fire means one that becomes uncontrollable or breaks out from where it is intended to be.

- (2) "Pollution cost or expense".



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION – UNMANNED AIRCRAFT

This endorsement modifies insurance provided under the following:

### COMMERCIAL LIABILITY UMBRELLA COVERAGE PART

- A. Exclusion **2.j. Aircraft Or Watercraft** under **Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

#### 2. Exclusions

This insurance does not apply to:

##### j. Aircraft Or Watercraft

###### (1) Unmanned Aircraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft". Use includes operation and "loading or unloading".

This Paragraph **j.(1)** applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft".

###### (2) Aircraft (Other Than Unmanned Aircraft) Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft (other than "unmanned aircraft") or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This Paragraph **j.(2)** applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft (other than "unmanned aircraft") or watercraft that is owned or operated by or rented or loaned to any insured.

This Paragraph **j.(2)** does not apply to:

- (a) A watercraft while ashore on premises you own or rent;
- (b) A watercraft you do not own that is:
  - (i) Less than 50 feet long; and
  - (ii) Not being used to carry persons or property for a charge;
- (c) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft;
- (d) The extent that valid "underlying insurance" for the aircraft or watercraft liability risks described in this Paragraph **j.(2)** exists or would have existed but for the exhaustion of underlying limits for "bodily injury" or "property damage". To the extent this exclusion does not apply, the insurance provided under this Coverage Part for the aircraft or watercraft risks described in this Paragraph **j.(2)** will follow the same provisions, exclusions and limitations that are contained in the applicable "underlying insurance", unless otherwise directed by this insurance; or

(e) Aircraft that is:

(i) Chartered by, loaned to, or hired by you with a paid crew; and

(ii) Not owned by any insured.

B. The following exclusion is added to Paragraph 2. **Exclusions of Coverage B – Personal And Advertising Injury Liability:**

**2. Exclusions**

This insurance does not apply to:

**Unmanned Aircraft**

"Personal and advertising injury" arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft". Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the offense which caused the "personal and advertising injury" involved the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft".

This exclusion does not apply to:

a. The use of another's advertising idea in your "advertisement"; or

b. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

C. The following definition is added to the **Definitions** section:

"Unmanned aircraft" means an aircraft that is not:

1. Designed;

2. Manufactured; or

3. Modified after manufacture;

to be controlled directly by a person from within or on the aircraft.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – ACCESS OR DISCLOSURE OF  
CONFIDENTIAL OR PERSONAL INFORMATION AND  
DATA-RELATED LIABILITY – WITH  
LIMITED BODILY INJURY EXCEPTION**

This endorsement modifies insurance provided under the following:

COMMERCIAL LIABILITY UMBRELLA COVERAGE PART

- A. Exclusion 2.t. of **Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

**2. Exclusions**

This insurance does not apply to:

- t. **Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability**

Damages arising out of:

- (1) Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2) The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph (1) or (2) above.

However, unless Paragraph (1) above applies, this exclusion does not apply to damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

- B. The following is added to Paragraph 2. **Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

**2. Exclusions**

This insurance does not apply to:

**Access Or Disclosure Of Confidential Or Personal Information**

"Personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **PUBLIC OR LIVERY PASSENGER CONVEYANCE AND ON-DEMAND DELIVERY SERVICES EXCLUSION**

This endorsement modifies insurance provided under the following:

### COMMERCIAL LIABILITY UMBRELLA COVERAGE PART

**A. The following exclusion is added to Paragraph 2. Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

This insurance does not apply to:

**Public Or Livery Passenger Conveyance  
And On-demand Services**

Any "covered auto" while being used:

- a. As a public or livery conveyance for passengers. This includes, but is not limited to, any period of time a "covered auto" is being used by an insured who is logged into a "transportation network platform" as a driver, whether or not a passenger is "occupying" the "covered auto"; or
- b. By an insured who is logged into a "transportation network platform" or "delivery network platform" as a driver to provide "delivery services", whether or not the goods, items or products to be delivered are in the "covered auto".

**B. If Excess Uninsured and/or Underinsured Motorists Coverage is attached, then the following exclusion is added to Paragraph C.2.:**

**2. Additionally, this insurance does not apply to:**

**Public Or Livery Passenger Conveyance  
And On-demand Services**

Any "covered auto" while being used:

- a. As a public or livery conveyance for passengers. This includes, but is not limited to, any period of time a "covered auto" is being used by an insured who is logged into a "transportation network platform" as a driver, whether or not a passenger is "occupying" the "covered auto"; or

- b. By an insured who is logged into a "transportation network platform" or "delivery network platform" as a driver to provide "delivery services", whether or not the goods, items or products to be delivered are in the "covered auto".

**C. Additional Definitions**

As used in this endorsement:

1. "Delivery network platform" means an online-enabled application or digital network used to connect customers:
  - a. With drivers; or
  - b. With local vendors using drivers; for the purpose of providing prearranged "delivery services" for compensation. A "delivery network platform" does not include a "transportation network platform".
2. "Delivery services" includes courier services.
3. "Occupying" means in, upon, getting in, on, out or off.
4. "Transportation network platform" means an online-enabled application or digital network used to connect passengers with drivers using vehicles for the purpose of providing prearranged transportation services for compensation.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION – DESCRIBED HAZARDS CATS AND DOGS**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL UMBRELLA LIABILITY COVERAGE PART**

This insurance does not apply to "bodily injury", "property damage", "personal injury" or "advertising injury" (or "personal and advertising injury" if defined as such in your policy) arising out of any expected, unexpected, intended, or aggravated attack by any cat or dog owned by or in the care, custody or control of any insured.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION – TRAMPOLINES**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL UMBRELLA LIABILITY COVERAGE PART**

This insurance does not apply to "bodily injury", "property damage", "personal injury" or "advertising injury" (or "personal and advertising injury", if defined as such in your policy) to any person arising out of the use of a trampoline or springboard owned or operated by an insured.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION – DISCRIMINATION**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL UMBRELLA COVERAGE PART**

This insurance does not apply to "bodily injury", "property damage", "personal injury" or "advertising injury" (or "personal and advertising injury", if defined as such in your policy) arising out of discrimination of any person based on color, creed, gender, race, natural origin, age, disability, religion, sex or any other basis of discrimination prohibited by law.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION – WATER ACTIVITIES**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL UMBRELLA LIABILITY COVERAGE PART**

This insurance does not apply to “bodily injury” or “property damage” arising out of the use, ownership or maintenance of any body of water, wading pool or pool.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION – NONCOMPENSATORY DAMAGES**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL UMBRELLA LIABILITY COVERAGE PART**

All liability coverage parts included in this policy are subject to the following conditions:

This insurance does not apply to fines, penalties, double or treble damages, punitive or exemplary damages, curative damages, attorney fees, and any other noncompensatory damages or payments:

If a claim is made or a lawsuit is filed against you alleging recovery for both compensatory damages and non-compensatory damages or payments:

- 1)** We will provide a defense as long as compensatory damages might be awarded, but we no longer have a duty to defend if only noncompensatory damages or payments might be awarded; and
- 2)** We will pay only the compensatory damages and you will pay the noncompensatory damages or payments.

This exclusion shall not reduce the Supplementary Payments included in this policy.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **PHYSICAL ABUSE AND SEXUAL MOLESTATION LIABILITY ENDORSEMENT**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL UMBRELLA LIABILITY COVERAGE PART**

#### **A. Coverage**

##### **1. Insuring Agreement**

We will pay those sums the insured becomes legally obligated to pay as damages because of "physical abuse", "mental injury" or "sexual molestation" arising out of the negligent:

- (a) employment;
- (b) investigation;
- (c) supervision;
- (d) reporting to the proper authorities, or failure to so report; or
- (e) retention of any person for whom the insured is legally responsible.

##### **2. Exclusions**

This insurance does not apply to any person who:

- (a) committed or attempted to commit;
- (b) participated in;
- (c) directed;
- (d) knowingly allowed; or
- (e) failed to take action to prevent recurrence after having knowledge of;

any act of "physical abuse", "mental injury" or "sexual molestation". We will defend any insured accused of such conduct until our investigation determines that the accusation is correct.

#### **B. Limits of Insurance**

The limits of insurance shown in the Declarations is the most we will pay regardless of the number of:

- 1. Insureds;
- 2. Claims submitted or suits brought; or
- 3. Persons or organizations making claims or bringing suits.

Multiple incidents of "physical abuse", "mental injury" or "sexual molestation" to one person shall be deemed to be one occurrence and shall be subject to the limits in effect at the time of the first incident even if some of such incidents take place after the expiration of the policy.

We shall not be obligated to undertake nor continue to defend any claim or suit after our limit of insurance is exhausted by payments for damages.

Payment under this coverage shall be included in the Aggregate Limit as stated in Paragraph 2 of **Section III – Limits of Insurance**. All other provisions of **Section III – Limits of Insurance** do not apply to coverage defined in this endorsement.

#### **C. Definitions:**

- 1. "Sexual molestation" means any actual or alleged act, touching, or caressing or suggestion thereof which could be considered sexual and/or inappropriate.
- 2. "Mental injury" means mental anguish, emotional distress or humiliation.
- 3. "Physical abuse" means physical mistreatment, the improper or excessive touching, handling or treatment of a person including excessive force and harsh insulting language.

All other terms, conditions and exclusions remain unchanged and applicable to this endorsement.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **PROFESSIONAL SERVICES CONDITION**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL LIABILITY UMBRELLA COVERAGE PART**

Paragraph 2.s. Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability and Paragraph 2.a.(15) Exclusions of Section I - Coverage B - Personal and Advertising Injury Liability are re-placed with the following:

#### **Professional Services**

"Bodily injury" or "property damage" due to rendering of or failure to render any professional service.

This exclusion does not apply to the extent that valid "underlying insurance" for any professional services liability exists or would have existed but for the exhaustion of underlying limits.

Professional service includes but is not limited to:

- (1)** Legal, accounting or advertising services;
- (2)** Preparing, approving, or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings or specifications;
- (3)** Inspection, supervision, quality control, architectural or engineering activities done by or for you on a project on which you serve as construction manager;
- (4)** Engineering services, including related supervisory or inspection services;
- (5)** Medical, surgical, dental, X-ray or nursing services treatment, advice or instruction;

- (6)** Any health or therapeutic service treatment, advice or instruction;
- (7)** Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming or therapy;
- (8)** Any service, treatment, advice or instruction relating to physical fitness, including service, treatment, advice or instruction in connection with diet, cardio-vascular fitness, body-building or physical training programs; **(9)** Optometry or optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;
- (10)** Body piercing services;
- (11)** Services in the practice of pharmacy;
- (12)** Law enforcement or firefighting services; and
- (13)** Handling, embalming, disposal, burial, cremation or disinterment of dead bodies.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by the insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the rendering of or failure to render any professional service.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION – CLAIMS MADE COVERAGE**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL LIABILITY UMBRELLA COVERAGE PART**

The Commercial Liability Umbrella Coverage Form does not apply to nor extend any coverage provided under the following claims-made coverages:

- 1. Condominium Directors and Officers Liability Coverage Form**
- 2. Errors and Omissions Coverage**
- 3. Employment Related Practices Liability Coverage**
- 4. Computer Repair Technology Professional Protection Endorsement**



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION – ASBESTOS OR ASBESTOS PRODUCTS**

This endorsement modifies insurance provided under the following:

COMMERCIAL LIABILITY UMBRELLA COVERAGE PART

This insurance does not apply to:

“Bodily injury” or “property damage” arising out of the removal, manufacture, distribution, sale, installation, handling or disposal of asbestos or any product containing asbestos material.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION – LEAD LIABILITY**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL LIABILITY UMBRELLA COVERAGE PART**

This insurance does not apply to:

1. actual or alleged "bodily injury" arising out of the ingestion, inhalation, or absorption of lead in any form;
2. actual or alleged "property damage" (or "personal and advertising injury", if provided by this coverage part) arising out of any form of lead;
3. any loss, cost, or expense arising out of any request, demand, or order that any "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to or assess the effects of lead; or
4. any loss, cost, or expense arising out of any claim or suit by or on behalf of any governmental authority for damages resulting from testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, or neutralizing, or in any way responding to or assessing the effects of lead.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **MICHIGAN CHANGES**

This endorsement modifies insurance provided under the following:

### COMMERCIAL LIABILITY UMBRELLA COVERAGE PART

- A.** With respect to a "covered auto" subject to Michigan no-fault law, the following exclusion is added to Paragraph **2. Exclusions of Coverage A – Bodily Injury And Property Damage Liability**:
- This insurance does not apply to:
- "Property damage" to a motor vehicle caused by an "occurrence" in Michigan.
- B.** The paragraph relating to prejudgment interest in **Section I – Supplementary Payments** is replaced by the following:
- Prejudgment interest awarded against the insured on that part of the judgment we pay.
- C.** With respect to the **Duties** Condition in **Section IV – Conditions**:
1. Notice given by or on behalf of the insured to our authorized agent, with particulars sufficient to identify the insured, shall be considered notice to us.
  2. The last sentence of Paragraph **3.b.** is deleted.
  3. The reference to Paragraph **d.** is amended to read Paragraph **e.**
  4. The following is added:
    - d.** Failure to give any notice required by this Condition within the time period specified shall not invalidate any claim made by you if it shall be shown not to have been reasonably possible to give notice within the prescribed time period and that notice was given as soon as was reasonably possible.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **MICHIGAN CHANGES – CANCELLATION AND NONRENEWAL**

This endorsement modifies insurance provided under the following:

### COMMERCIAL LIABILITY UMBRELLA COVERAGE PART

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

- A.** If you are an individual and any "covered auto" you own is of the private passenger type, the **Cancellation** Common Policy Condition is replaced by the following:

#### **Cancellation**

1. You may cancel the Policy by giving us notice of cancellation.
2. When this Policy is in effect less than 55 days and is not a renewal or continuation policy, we may cancel for any reason by mailing by certified mail or delivering to you within this period written notice of cancellation at least 20 days before the effective date of cancellation. However, if we cancel for nonpayment of premium, we will mail by regular mail or deliver notice to you at least 10 days before the effective date of cancellation.
3. When this Policy is in effect 55 days or more or is a renewal or continuation policy, we may cancel only for one or more of the reasons listed below. If we cancel for nonpayment of premium, we will mail you at least 10 days' notice. If we cancel for any other reason, we will mail you at least 30 days' notice.
  - a. Nonpayment of premium.
  - b. The named insured or any other operator who either resides in the same household or customarily operates an "auto" has had his or her driver's license suspended during the policy period and the revocation or suspension has become final.
  - c. If during the first 55 days after the original issue date of the Policy the risk is unacceptable to us.

But if this Policy has been written for a period of more than a year or without a fixed expiration date, we may cancel at an anniversary of its original effective date for any reason. If we cancel, we will mail or deliver to you at least 30 days' written notice.

- d. Notice of cancellation will state the effective date of cancellation.
  - e. If this Policy is cancelled, we will send you any pro rata premium refund due. The minimum earned premium shall not be less than the pro rata premium for the expired time or \$25, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.
  - f. If notice is mailed, proof of mailing will be sufficient proof of notice.
- B.** For all other policies, the **Cancellation** Common Policy Condition is amended as follows:
1. Paragraph 1. is replaced by the following:

The first Named Insured shown in the Declarations may cancel this Policy by giving us or our authorized agent notice of cancellation.
  2. Paragraph 3. is replaced by the following:

We will mail or deliver our notice to the first Named Insured's last mailing address known to us or our authorized agent.

3. Paragraph 5. is replaced by the following:

If this Policy is cancelled, we will send the first Named Insured any pro rata premium refund due. The minimum earned premium shall not be less than the pro rata premium for the expired time or \$25, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.

C. Condition 10. **When We Do Not Renew** of Section IV – Conditions is replaced by the following:

**When We Do Not Renew**

1. If we decide not to renew this Policy, we will mail or deliver to the first Named Insured's last mailing address known to us or our authorized agent written notice of the nonrenewal not less than 30 days before the expiration date.

2. If we offer to renew or continue and you do not accept, this Policy will terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.
3. If we fail to mail or deliver proper notice of nonrenewal and you obtain other insurance this Policy will end on the effective date of that insurance.
4. If notice is mailed, proof of mailing is sufficient proof of notice.